



EXECUTIVE CHAMBERS  
HONOLULU

**LATE**

DAVID Y. IGE  
GOVERNOR

February 21, 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: **SB 2989 SD1 – RELATING TO HOMELESSNESS**

Hearing: Wednesday, February 21, 2018, 10:10 a.m.  
Conference Room 211, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness supports this bill provided that the measure's passage does not replace or adversely impact priorities indicated in the Governor's supplemental budget, and provided that the tax credit does not adversely impact the Administration's revenue and budget priorities. The Coordinator asks the Legislature to support the supplemental budget request of \$15 million for homeless services, which includes appropriations to the Hawaii Public Housing Authority (HPHA) for the Rent Supplement program and appropriations to the Department of Human Services (DHS) for Housing First, Rapid Rehousing, homeless outreach services, and the Family Assessment Center (FAC).

**PURPOSE:** The purpose of the bill is to expand the eligibility and credit amount of the low income household renters' tax credit. In addition, the bill appropriates funds for the continued administration of the FAC and for the implementation of a housing homeless children rental assistance pilot program. The bill also exempts the adoption of interim rules and procurement of services by federally-certified financial counselors from chapters 91 and 103D, Hawaii Revised Statutes, respectively.

Homelessness remains one of the most pressing challenges facing Hawaii, and the State has adopted a comprehensive framework to address homelessness that focuses on three primary leverage points – affordable housing, health and human services, and public safety. In

particular, the State has worked together with the Legislature and other stakeholders to increase resources for permanent housing programs, such as Housing First and Rapid Rehousing. Between 2015 and 2017, the number of permanent housing beds for homeless individuals statewide increased by 1,986 – an increase of 146%, more than doubling the supply of permanent beds.

The Coordinator appreciates the willingness of the Legislature to support the continued increase of housing programs for the homeless population, but is concerned about potential adverse impacts on priorities identified in the supplemental budget. The Governor’s supplemental budget request includes over \$15 million for homeless services, including \$3 million for Housing First, \$3 million for Rapid Rehousing, and \$1.75 million for homeless outreach services. 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.

The Coordinator notes that the measure, as currently drafted, exempts the procurement of financial case management and counseling services from chapter 103D, Hawaii Revised Statutes, and requires families participating in the housing homeless children rental assistance pilot program to receive these services, but the bill does not explicitly appropriate funds for the financial case management and counseling services.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR

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**LATE**

To: The Honorable Donovan M. Dela Cruz, Chair  
and Members of the Senate Committee on Ways and Means

Date: Wednesday, February 21, 2018  
Time: 10:10 A.M.  
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

Re: S.B. 2989 S.D. 1, Relating to Homelessness

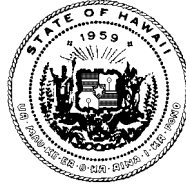
The Department of Taxation (Department) appreciates the intent of S.B. 2989, S.D. 1, and provides the following comments for your consideration. Among other things, this measure increases the amount of the income tax credit for low income renters under Hawaii Revised Statutes (HRS) section 235- 55.7, from \$50 per exemption to \$150, depending on the taxpayer's filing status and adjusted gross income. The credit is also indexed for inflation for taxable years beginning after December 31, 2019, based upon the Honolulu Region Consumer Price Index for All Urban Consumers. The Senate Committee on Housing and the Committee on Human Services adopted the Department's recommendations to determine eligibility for the credit based upon federal adjusted gross income (AGI), and to specifically define the consumer price index to be used. The measure takes effect on July 1, 2018 and applies to taxable years beginning after December 31, 2018.

The Department also suggests: (1) specifying the exact method of determining the consumer price index (CPI) adjustment (increase or decrease); (2) rounding to the nearest dollar the resulting amount after the CPI increase; and (3) delaying the CPI increase for one year. In order to accomplish this, subsection (d) can be amended to read as follows:

(d) For each taxable year beginning after December 31, 2020, each dollar amount contained in subsection (c) shall be increased by the percentage increase, if any, by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year 2019. The result of such increase shall be rounded to the nearest dollar and in no event shall the amount decrease from the previous calendar year.

The Department notes that this method is the same as that is used in the Internal Revenue Code, and has the advantage of having a consistent base year, AGI, and credit amounts. This will make the determination of the inflation adjusted amounts simpler. In addition, rounding the result of such inflation adjustment will make it easier for taxpayers to claim and for the Department to administer the credit.

Finally, the Department is able to implement the measure with its current effective date. Thank you for the opportunity to provide testimony in support of this measure.



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

**LATE**

February 21, 2018

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

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2989 SD1 – RELATING TO HOMELESSNESS**

Hearing: Wednesday, February 21, 2018, 10:10 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this bill. DHS supports this bill provided that the measure's passage does not replace or adversely impact priorities indicated in the supplemental budget. DHS asks for the Legislature's support for the supplemental budget requests.

**PURPOSE:** The purpose of this bill expands eligibility and credit amount of the low income-household renters' income tax credit. Appropriates funds for the continued administration of the family assessment center for homeless families and for a housing homeless children rental assistance pilot program. Exempts adoption of interim rules and procurement of services by federally-certified financial counselors from chapters 91 and 103F, Hawaii Revised Statutes, respectively.

DHS respectfully asks that the legislature support similar requests in the Governor's supplemental budget to address homelessness; appropriations through the supplemental budget supports program continuity and overall improvement in the delivery of services. The response to homelessness requires long-term solutions supported through predictable funding, HPO prefers that the supplemental budget be the vehicle to fund these worthy and successful programs.

The Family Assessment Center (FAC) in Kaka'ako utilizes 'Housing First' principles to quickly move families with minor children off the streets and into permanent housing. FAC opened in September 2016 and served 184 people and placed 35 out of 38 families entering the facility into housing in the first year. The housing placement rate for the center in its first year was 92% (35 out of 38), and families were housed in an average of 82 days.

During its first year, FAC exceeded its expectation with a piloted model that may be duplicated statewide. FAC served 194 individuals and placed them into permanent housing with an average of 81 days. The key to its success is creating linkages in the community and identifying housing as quickly as possible to help the family stabilize in a permanent setting. FAC had a 100% retention rate in permanent housing nurtured with follow up services identified in its DHS contract.

In addition to quickly moving families out of homelessness and into permanent housing in its first year, FAC also increased the income for 59% of the families through linkages to public benefits, employment, and other critical resources during their stay at the facility.

Thank you for the opportunity to testify on this bill.



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**Senate Committee on Ways & Means**

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Dear Chair Dela Cuz, Vice Chair Keith-Agaran, and members of the Committees,

On behalf of the Hawaii Alliance for Progressive Action (HAPA), I am testifying in support of SB2988, SD1.

HAPA is a statewide environmental, social and economic justice organization. HAPA engages over 10,000 local residents annually through our work.

Bill 2988, Senate Draft 1, will provide funds to continue the Kupuna Caregivers program. Through the Kupuna Caregivers program, our dedicated family caregivers, as well as our local small businesses, will receive the support that they deserve and need.

We know that the need for the Kupuna Caregivers program is incredibly high for families across Hawaii. Within just a few weeks of launch, the Executive Office on Aging documented over 500 requests for services. Each of those requests represents friends and neighbors who have few other resources to turn to for caregiving support. Kupuna Caregivers is intended to support those caregiving families who are not eligible for Medicaid but are still struggling to pay for the care services they need. They are working full time, sometimes working multiple jobs, and often taking care of young children and an aging kupuna at the same time.

By providing a care benefit of \$70 per day, Kupuna Caregivers establishes a much needed "care floor," ensuring that working families have access to resources to provide care at home. The first year of funding took the important step of establishing the program and could help assist dozens of families across the state. This next step forward needs to fund the program fully to cover all other families who are in desperate need of support offered by Kupuna Caregivers.



Last year, the legislature received national attention for its leadership in creating a first-in-the-nation model to value the time and selfless efforts of family caregivers. We ask you to take this important next step to continue the program we so desperately need. I ask you to please pass Senate Bill 2988, Senate Draft 1.

Thank you for considering my testimony.

Respectfully,

Anne Frederick, Executive Director  
Hawai'i Alliance for Progressive Action (H.A.P.A.)



February 20, 2018



TO: Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
Members of the Senate Committee on Ways and Means

FROM: Natalie Okeson

SUBJECT: Testimony in Support of SB2989, SD1: RELATING TO HOMELESSNESS

Hearing: February 21, 2018, 10:10  
Conference Room 211

Chair Dela Cruz, Vice Chair Keith-Agaran, Members of the Committee,

Thank you for the opportunity to testify in strong support of SB2989, SD1. I am Natalie Okeson, a concerned citizen that has been working closely with homelessness and affordable housing in Hawaii, particularly with homelessness as it relates to families. Since this bill includes items that have appeared in other measures, I would like to take this opportunity to thank you for taking the time to schedule a hearing on this bill. As you know, with omnibus bills, especially those related to such an expansive topic as homelessness, it can be difficult to determine which items are meant to accomplish specific outcomes. I hope my testimony today can aid in understanding why these items are particularly helpful to homeless families.

The Hawaii Community Foundation has worked tirelessly with stakeholders, community members, nonprofit agencies running family shelters and transitional housing, and other funders to end Family Homelessness through their HousingASAP initiative. Due to the dedication of all those involved, our community should reach **Functional Zero for chronically homeless families by the end of 2018**. However, this goal cannot be reached with additional resources put into proven programs and interventions such as Housing First, Rapid Rehousing, outreach, shelters, etc. Bills addressing these additional resources for these programs will do just that. We can reach Functional Zero for these families.

With the Hawaii Community Foundation's support, Coordinated Entry System for Families has been launched for all homeless families in order to meet the HUD-mandated deadline. CES has allowed us to **identify gaps in resources for the non-chronic families that make up close to 1/3**

**of the overall Families System.** This low-vulnerability, non-chronic group is not served by traditional case management and Housing First or Medium-term Rapid Rehousing. Nor will they be served by the very effective other programs already run by Homeless Programs Office such as HPP or SHEG, or even the very successful prevention and diversion program proposed by AUW, all of which I strongly support funding. Certain families will need medium-term interventions, but with financial case management rather than traditional case management. These are the families who are homeless because of they simply cannot afford to remain housed. The State Rent Supplement program is an intervention that could work well, but it is not meant to be targeted to only the homeless, nor only families experiencing homelessness. **In order to get homeless minor children into housing with their families, we need a pilot program designed specifically for this population. In order to make it truly effective for these families, we need financial case management tied with meaningful financial products.** Because this is a pilot program, we believe that exempting procurement in this one instance will help ensure that funds can be expended and homelessness children and their families will be served quickly. **We also believe that this intervention will be helpful in impacting our victims of domestic violence who find themselves homeless, as well.** National Technical Assistance providers indicate that communities much end all family homelessness to truly end DV homelessness, as the two issues are simply too intertwined.

Second, while the Family Assessment Center is included in the Governor's Budget and the omnibus bills, it is crucial that we point out the additional capacity that this shelter brought to the system. In addition, the model of serving the whole family through DHS' Ohana Nui Framework is incredibly important as we work to serve families in our homeless system. Many of our shelters are meeting goals related to timelines such as entry and exit dates, as well as working in collaboration with other partners. **However, the Family Assessment Center should not only be funded and replicated, but discussion about the FAC allows us to highlight how crucial additional shelter capacity is for our community.**

**Lastly, the Low-Income Household Renters Tax Credit must be updated to reduce the housing cost-burden so many of our families are facing.** The members of these Committees are well aware of the ties between the lack of truly affordable housing, wage gaps between what our most vulnerable families are earning and what they need to pay in rent, and the need for any number of interventions to serve those experiencing homelessness. If we look at the spectrum of what we need to fund:

- Development of Affordable Housing (cash infusions and other means of increasing the amount of gap funding available through the RHRF) to increase supply of affordable rentals
- **Low-Income Household Renters Tax Credit to increase stability**
- AUW's Prevention and Diversion Program (CSHI) to prevent eviction and homelessness
- HPP/SHEG / Short-term Rapid Rehousing with Case Management to get quickly rehoused and stabilized
- Medium- term Rapid Rehousing with Case Management for those with more severe issues

- **Medium-term shallow-rent subsidy through proposed pilot program and State Rent Supplement program**
- Permanent Supportive Housing (Housing First) with Case Management for those with disability
- Transitional Shelters for those awaiting housing resources
- Emergency Shelters for those who need to be moved off of the streets, like the FAC
- Outreach to bring those experiencing homelessness to available services.

This bill calls out just a few of the many interventions listed above. However, I hope this testimony helps the Committee understand why these particular interventions are so important to families. Please let me know if you have any questions.

Thank you again for the opportunity to submit testimony in strong support of SB2989, SD1. I urge you to pass this measure.