

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

December 30, 2020

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

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

In accordance with 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 be "CB", is written over a horizontal line.

Cathy Betts
Director

Enclosure

c:
Governor's Office
Lieutenant Governor's Office
Department of Budget & Finance
Legislative Auditor
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President Kouchi, Speaker Saiki

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**REPORT TO THE THIRTY-FIRST HAWAII STATE
LEGISLATURE 2021**

**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 2020

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 housing first 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 a housing first 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 housing first 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.

In 2012, HF was initially piloted on Oahu, prioritizing services to 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 implemented HF in the counties of Hawaii, Kauai, and Maui.

Per section 346-378(e), "chronically homeless individual" means a homeless individual who has an addiction or a mental illness, or both.¹

Note: The U.S. Department of Housing and Urban Development (HUD), in its final rule on "Defining Chronically Homeless," additionally 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 over a period of at least four (4) occasions in the last three (3) years.

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 HUD's

¹ 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) is September 15, 2020, see, https://www.capitol.hawaii.gov/session2020/bills/SB2893_HD2_.htm.

definition in determining priority for permanent housing. At the same time, DHS realized that individuals who do not reach the HUD definition of "chronicity" and are extremely vulnerable need housing and other supportive services. Hence, 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 Program 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 Housing First Program and allow for more housing options for the most vulnerable population.

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.

The DHS and the two (2) Continua of Care (CoC) agencies in the State, Partners in Care (PIC) and Bridging the Gap (BTG), continue to make progress in coordinating homeless services through the establishment of a Coordinated Entry System (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 ensures that those with the greatest needs are prioritized for assistance. Providers prioritize based on the VI-SPDAT vulnerability score and other factors agreed 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 individuals that are eligible 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 2020, the BNL report generated from the Homeless Management Information System (HMIS) report showed that providers assessed and prioritized 1,623 homeless

individuals and 525 families residing in unsheltered conditions and homeless shelters: 1,121 individuals and 408 families on Oahu; 208 individuals and 40 families on the Hawaii Island; 115 individuals and 23 families on Kauai; and 179 individuals and 54 families on Maui.

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

- Oahu – Partners in Care (PIC)
- Hawaii Island – Hawaii County Office of Housing & Community Development
- Kauai – Kauai County Housing Agency
- 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 provides the opportunity for 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.

Data from the Homelink database was migrated to the HMIS in November 2016. 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 Housing (HEARTH) Act of 2009. A robust HMIS is a valuable resource with the capacity to aggregate and unduplicate data from all homeless assistance and homelessness prevention programs in a CoC. The data from the HMIS provides evidence of patterns of service use and measures of effectiveness. Service providers can input VI-SPDAT directly into HMIS.

DHS Homeless Programs Office (HPO) has 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. The 2016 the Governor's Emergency Proclamation addressed homeless issues and provided funds to enhance the HMIS administrative and support services for both PIC and BTG. With these additional supports, the HMIS capabilities were expanded to manage the State contracts' operations, create a help desk, implement webinars and training, ensure administrative compliance, and assist with research and reporting. BTG's CES is now automated, and referrals are made based on the agreed prioritization and eligibility requirements. PIC continues to work on its automation of CES. The DHS Homeless Programs Office and each CoC continue to make 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 series of training 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 training were held on:

- 2017 OrgCode Training:
 - Series 1: Rural Homelessness Solutions; Street Outreach to Housing; Being an Awesome Shelter
 - Hawaii: May 18 & 19
 - Maui: May 22 & 23
 - Kauai: May 24 & 25
 - Series 2: Housing Stabilization that Works; Effective Continuum of Care
 - Hawaii: June 14 & 16
 - Maui: June 19 & 20
 - 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 Housing First approach. Topics included Housing First principles and practices, Housing First for outreach, shelter, permanent housing, organizational supports for the practice, housing access and stabilization, and Crisis Response System.

In August 2018, Iain De Jong conducted another training for service providers and stakeholders: “Rapid Resolution and Diversion.” The topics included were “the five core principles of prevention and diversion,” “the 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 Housing First approach embedded in each contracted for services.

In September 2019, the PIC's Board of Directors and their HMIS Lead, AUW, decided to separate from the Statewide HMIS database with its own cloned copy. The HMIS database vendor, CaseWorthy, will remain the same, but statewide data will no longer be available. Instead, to create a statewide database, HPO will need to request data from both CoCs and consolidate the information.

DHS Housing First (HF)

In SFY 2017, DHS continued the HF program on Oahu with the non-profit United States Veterans Initiative (USVI). Additionally, the Legislature appropriated \$1.5 million to expand Housing First to rural 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 the Hawaii Island, and Catholic Charities Hawaii on Kauai. This unprecedented effort reflects the State's priority of permanent housing for chronically homeless individuals and families.

On Oahu, the federally funded Hawaii Pathways Project (Pathway), administered through the Department of Health, operated from August 2014 to September 2017. The State's HF Program with USVI aligned with Pathway to provide permanent supportive housing to chronically homeless individuals struggling with substance use or substance use with mental illness. A total of 21 individuals were placed in permanent housing in coordination with Pathway. After the Pathway program ended, subsequent federal funding was not available. USVI prepared a transition plan, which resulted in USVI providing housing assistance for all 21 clients and case management services for six (6) clients. The remaining 15 clients received case management services from agencies including Kalihi Palama Health Center, North Shore Mental health, Care Hawaii, HOPE Inc., Community Empowerment Resources, and Helping Hands Hawaii. Since the transition from federal funding, monthly meetings with all agencies named above, review cases, strategies, and resources to ensure the best quality service to the State's HF program clients.

In SFY 2019, DHS continues to be responsive and flexible with the State's HF program. Through exemption requests, DHS assisted a total of 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. Because of how the law defined chronicity, these households would have lost their chronicity and would not be eligible for other PSH programs.

Total Number of Participants in the HF Program

In SFY 2020, the HF program enrolled a total of 254 households. A total of 351 unduplicated individuals were served, including 28 unduplicated families with children.

The above totals are broken out by county as follows:

- Oahu – 109 unduplicated households and 140 unduplicated participants

- Hawaii Island – 83 unduplicated households and 122 unduplicated participants
- Kauai – 15 unduplicated households and 23 unduplicated participants
- Maui – 47 unduplicated households and 66 unduplicated participants

These individuals and heads of households were assessed with the VI-SPDAT and received a range of scores indicating eligibility for permanent supportive housing (PSH). The retention rate of 94% reflects the percentage of the participating chronically homeless individuals and families who sustained placement in permanent housing with the assistance of rental subsidies and supportive services.

Other HF Program Outcomes

Other measures of program effectiveness in SFY 2020 include: 22 individuals voluntarily entered treatment for either substance abuse or mental health services; six (6) individual participated in employment training or an educational endeavor; 24 individuals obtained employment, and 43 new landlords were recruited in addition to the 86 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 sources of such income for HF clients have been (in order of prevalence): Social Security Disability Income (SSDI), General Assistance (GA), Supplemental Security Income (SSI), VA income, and employment.

During the SFY 2020, 132 clients achieved document ready status for housing placement; five (5) clients assigned representative payees; 17 clients enrolled in addiction treatment services; three (3) clients enrolled in education or vocational program; 89 clients were able to increase income; 64 clients increased their assistance income (e.g., SSI, SSDI, VA); and ten (10) clients increased their public benefits (e.g., SNAP, WIC, TANF). The income alleviates the cost of their housing. The HF program per client housing cost decreases once an individual's placement stabilizes, and they apply and are approved for available benefits. Once employed or approved for financial assistance, the individuals are asked to pay no more than 30% of their income toward housing costs.

Annual Cost of Services

The funding for Housing First 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 to implement HF programs on the neighbor islands.

During the SFY 2019, DHS Homeless Programs Office increased funding for the Housing First Program to increase the number of vulnerable people served. Oahu and the neighbor islands had \$3,750,000 in statewide HF funding: \$1,875,000 to increase services on Oahu; \$300,000 to

expand services on Kauai, \$637,500 to increase services on Maui, and \$937,500 to increase services on Hawaii island.

The analysis of the Hawaii Pathways Project by the University of Hawaii Center on the Family, based upon reports of the fifteen (15) initial HPP clients, found that "[a]fter obtaining stable housing, the estimated healthcare cost for Hawai'i Pathways clients served through the State's Housing First Program dropped from an average of \$10,570 per client per month to \$5,980 per client per month. These savings represent a 43% decrease over six months. The estimated cost savings from reduced healthcare utilization by stably housed clients was \$4,590 per month." (Hawaii Pathways Project Evaluation, January 7, 2016, University of Hawaii Center on the Family.)

While this preliminary finding is an estimate, it is critical to continue to enhance and expand 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.

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.

The 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. 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 either directly intervene or provide a referral to another prevention resource.

Service providers are required to make at least monthly attempts to contact discharged clients to assess on-going service needs and connect clients to appropriate services as necessary for at least three (3) months post-discharge. Providers must also meet in client's homes at least every three (3) months to review housing maintenance, health, safety, and quality. 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

- 1,831 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 688 VASH vouchers (21 families and 667 individuals) **
- 452 City-funded Housing First beds

Neighbor Islands

- 530 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 219 VASH vouchers (17 families and 202 individuals) **

*Counts based on the 2020 Housing Inventory Count (HIC)

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

State Fiscal Years 2021-2022 and 2022-2023: Maintaining State Funding

For individuals and families receiving Housing First program assistance maintaining State funding is critical. Without Housing First program services, these individuals and families are the most vulnerable and have a high likelihood of rapidly returning to homelessness.