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May 9, 2013

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The Honorable Ernest Y. Martin, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Martin and Councilmembers:

SUBJECT: Homeless Action Plan – May 2013

Pursuant to Resolution 13-55, CD1, Requesting Development of an Immediate Action Plan to Address the Public Health and Safety Issues Associated with Concentrations of Homeless Persons in the City and County of Honolulu, attached is the Mayor's Homeless Action Plan dated May 2013 for your review.

If you have any questions relating to this matter, please contact Pamela A. Witty-Oakland at 768-7760. Thank you for your patience in this matter.

Sincerely,

Pamela A. Witty-Oakland
Director

Enclosure

APPROVED:

Ember Lee Shinn
Managing Director

DEPT. COM. 279

Report to the 2013 Honolulu City Council:

Pursuant to Resolution 13-55, CD1
Requesting Development of an Immediate Action Plan to Address the Public Health and Safety Issues Associated with Concentrations of Homeless Persons in the City and County of Honolulu.

Prepared by:
City and County of Honolulu
Department of Community Services

May 2013

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Executive Summary[1]

Honolulu's Homeless Point-in-Time (PIT) Count for 2013[2] identified 4,556 homeless persons, with 1,465 unsheltered. Within the unsheltered category are 505 chronically homeless persons, which include the concentration of homeless persons most visible on the streets of Honolulu. This report primarily addresses the chronically homeless population, but also recommends an overall approach that addresses the broader issues affecting the unsheltered population.

The Honolulu PIT data reports that 78% unsheltered homeless persons are severely mentally ill. Additionally, 55% of the unsheltered are chronic substance abusers, with 29% both mentally ill and a chronic substance abuser. The co-occurring disorders dictate a need for case management, medical treatment, substance abuse treatment and other supportive services in addition to housing.

The current program utilized by nearly all providers who serve and care for, the homeless population of Oahu is delivered through the Continuum of Care (CoC) funding. Homeless families or individuals transition through various levels of housing, shelters, transitional apartments, and lastly permanent housing. Each move brings them closer to independent housing.

Most options within the CoC programs require participation in substance abuse or alcohol treatment programs as a prerequisite for entry into an emergency shelter or transitional housing. The mandatory participation is often viewed as a barrier to entry, thus further increasing the challenges of addressing the needs of this vulnerable population.

By contrast, the Housing First model removes the barriers of mandatory treatment program enrollment, and provides permanent supportive housing directly from streets and shelters. The newly housed individual is immediately provided with extensive case management and wrap-around services to address the multiple needs. Data has shown that over time voluntary enrollment in the treatment program is achieved.

To address the public health and safety issues associated with concentrations of homeless persons in the City and County of Honolulu ("City"), the following recommendations are offered:

1. City agencies and their contractors/provider agencies should take specific actions in 2013 to address public health and safety issues stemming from Honolulu's 1,465 unsheltered homeless persons.

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[1] Homelessness issues and solutions within this report are considered from the Human Services perspective, not enforcement of public right-of-ways.

[2] "City and County of Honolulu Homeless Point-in-Time Count 2013," preliminary, City and County of Honolulu, Department of Community Services; State of Hawaii, Department of Human Services, Homeless Programs Office; and Partners in Care- Oahu Continuum of Care; April 2013.

a. The City should adopt a policy to support the Housing First principles and to implement a scattered-site model. This policy should specify a goal of allocating federal and state resources administered by the City that should be directed toward the Housing First model. This policy should further state the City's commitment to use its general funds to solve the chronically homeless problem when balanced against competing and limited resources to pay for basic and essential services for our residents and visitors.

b. The City should work with the Continuum of Care agencies to transition federal Continuum of Care resources toward adding Housing First projects to future HUD applications through a Request for Interest (RFI) process.

c. City should adopt a public policy to support use of HUD Community Development Block Grants (CDBG) and HOME Investment Partnership (HOME) funds to implement the Housing First model.

d. The City should adopt public policies focused on developing and financing acquisition and/or rehabilitation of Single Room Occupancy (SRO) units as appropriate to geographical regions.

2. Through adoption of the Housing First philosophy, City agencies should leverage federal, state, community, and private sector partnerships in 2013 to provide case management, employment training, and other services to address the medical, psychological, social, vocational and legal needs of chronically homeless individuals.

3. To address the potential impact of federal funding reductions and programs that may be reduced as a result of the 2013 federal sequestration, the City should:

   a. Continue to monitor information from the federal agencies on direct impacts;

   b. Implement cost saving measures to sustain programmatic goals with current funding levels; and

   c. Amend fiscal policy to support funding of homeless initiatives.

4. The City should set specific placement goals, utilizing the data collected during the annual Point-in-Time count as the benchmark to achieve measurable results to relocate homeless individuals to appropriate housing, services, or treatment programs.

   a. The City's Housing First demonstration project will place 25 persons, which is 5% of the Chronically Homeless People – Unsheltered as counted on January 22, 2013 in scattered-site supportive housing by December 31, 2014; and

   b. Assuming funding availability, the second phase of the demonstration project will place 50 additional persons, which is 10% of the Chronically Homeless People –

Unsheltered as counted on January 22, 2013 in scattered-site supportive housing during calendar year 2015.

The estimated cost to implement this two-year program is $4.9 million at an average cost per person of $48,000.

5. The City should adopt legislation to support implementation of the Housing First initiative, including:

   a. Amendment of fiscal policies and CDBG priorities to support funding of Housing First with all available federal monies; and

   b. Amendment to the fiscal year 2014 operating budget to add one (1) permanent full-time position and $150,000 to support implementation of the Housing First Initiative.

While focusing on the chronically homeless population, this report recognizes that the unsheltered homeless population that exists throughout the island may require different solutions, depending on geographical area and provider services available. This report is not intended to suggest that all resources currently distributed by the City to homeless services providers should be entirely redirected to serving the chronically homeless, at the expense of the needs of the other 1,000 unsheltered persons.

The characteristics of the chronically homeless population present a great challenge to success. Despite directing financial resources toward establishing shelter and treatment programs, there is no guarantee the homeless persons will utilize the resources. However, the actual results of the Housing First model in other major cities tell a story of success.[3]

- **Quincy, MA** witnessed a 50 percent reduction in chronic homelessness between 2005 and 2009.
- Chronic homelessness in **Norfolk, VA** fell by almost 40 percent between 2006 and 2008.
- There was a 36 percent decline in chronic homelessness in **Denver, CO** between 2005 and 2007.
- **Portland, OR** found that the number of chronically homelessness people sleeping outside fell 70 percent between 2005 and 2007.
- Chronic homelessness in **Portland, ME** declined by 49 percent between 2004 and 2007.
- **Wichita, KS** reduced chronic homelessness 61 percent between 2005 and 2009.

In addition, to documenting their success at reducing chronic homelessness, many cities are also documenting the cost effectiveness of their efforts. While making progress toward ending chronic homelessness, Portland Oregon is saving the public over $16,000 per chronically homeless person. Further evidence of national efforts is provided by the National Alliance to End Homelessness publication on policy solutions attached as Exhibit F.

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[3] National Alliance to End Homelessness, *"Chronic Homelessness Policy Solutions,"* 2010, http://www.endhomelessness.org

Introduction

Honolulu City Council Resolution 13-55, CD1 requests the Department of Community Services to develop an immediate action plan to address the public health and safety issues associated with concentrations of homeless persons in the City and County of Honolulu by no later than May 1, 2013. The Department of Community Services is requested to: (1) address specific actions that City agencies and their contractors/provider agencies should take, (2) identify the range of federal, state, community, and private sector partnerships that City agencies should leverage, (3) identify federal funding and programs that may be reduced as a result of the 2013 federal sequestration cuts and the steps that the City administration should take to offset or mitigate these cuts, (4) identify benchmarks and deadlines necessary to achieve measurable results; and (5) draft legislation that may be required to implement the action plan.

Homelessness

"Homelessness" is complex and difficult to define. The United States Congress has developed a definition for homeless that has evolved over time. In 1987, a general definition was provided and approved within the McKinney-Vento Act[4]. In 2009, the Homeless Emergency Assistance and Rapid Transition Housing Act (HEARTH Act) was enacted, and further broadened the definition of homelessness giving more consideration to help provided to those who are considered homeless. [5]

Most recently, in 2011, HUD issued a final rule to implement changes to the definition of homeless in the HEARTH Act. The implemented rule expands who is eligible for HUD-funded homeless assistance programs by providing four categories under which individuals and families qualify as homeless, corresponding to the broad categories established by the statutory language of the definition in Section 103 of the McKinney-Vento Act, as amended by the HEARTH Act.

The categories are:

(1) Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided;

(2) Individuals and families who will imminently lose their primary nighttime residence;

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[4] McKinney–Vento Homeless Assistance Act of 1987 (Pub. L. 100-77, July 22, 1987, 101 Stat. 482, 42 U.S.C. § 11301 *et seq.*)

[5] The McKinney-Vento Homeless Assistance Act, as amended by s.896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/homeless/programs; page 1

(3) Unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; and

(4) Individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.[6]

Demographics of Honolulu's Homeless

Utilizing the HUD definition of homeless, Hawaii agencies and providers report data to the state's Homeless Management Information System (HMIS) – a centralized electronic data system on homeless persons.[7] The HMIS data, along with the results from a physical count of homeless persons on the streets of Oahu, is compiled and published in an annual service utilization report.

The *Homeless Service Utilization Report, Hawaii 2012* reported that of the total 13,980 homeless individuals, that received services through the shelter and outreach programs, the majority (69%) were within the City and County of Honolulu. Further analysis of the Honolulu data is published in the *City and County of Honolulu, Homeless Point-in-Time (PIT) Count 2013*,[8] where homeless persons are differentiated as sheltered, unsheltered, and in various sub-categories, including the chronically homeless.

Honolulu's Homeless PIT Count for 2013 identified 4,556 homeless persons, with 1,465 unsheltered. Within the unsheltered category are 505 chronically homeless persons, which include the concentration of homeless persons most visible and as referenced in Resolution 13-55, CD1.

HUD defines chronically homeless as:[9]

"(1) An individual who—

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[6] *Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH): Defining "Homeless" Final Rule*, https://www.onecpd.info/resource/1928/hearth-defining-homeless-final-rule, Federal Register, Vol. 76, No. 233, p 75996

[7] Yuan, S., Stern, I. R., & Vo, H. (2012). Homeless Service Utilization Report: Hawaii 2012; University of Hawaii, Center on the Family

[8] "City and County of Honolulu Homeless Point-in-Time Count 2013," preliminary, City and County of Honolulu, Department of Community Services; State of Hawaii, Department of Human Services, Homeless Programs Office; and Partners in Care- Oahu Continuum of Care; April 2013.

[9] Ibid. Pg. 10.

(i) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter; and

(ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years; and

(iii) can be diagnosed with one or more of the following conditions: substance disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability.

(2) An individual who resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person met all of the criteria in paragraph (1) prior to entering that facility; or

(3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria of paragraph (1) of this definition, including a family whose composition has fluctuated while the head of household has been homeless."

The majority of chronically homeless persons in Honolulu are diagnosed with substance use disorder and serious mental illness. The Honolulu PIT data reports that 78% unsheltered homeless persons are severely mentally ill. Additionally, 55% of the unsheltered are chronic substance abusers, with 29% both mentally ill and a chronic substance abuser. The co-occurring disorders dictate a need for case management, medical treatment, substance abuse treatment and other supportive services in addition to housing.

Policy and Philosophy: Treatment First versus Housing First

The current program, services and care of the homeless population of Oahu is delivered through the Continuum of Care (CoC) funding which supports a model mandated by the United States Department of Housing and Urban Development in the mid 1990s.[10] The model addresses homelessness through a community-based process of identifying needs and building a system to address those needs. Homeless families or individuals transition through various levels of housing, shelters, transitional apartments, and lastly permanent housing. Each move brings them closer to independent housing.

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[10] *Continuum of Care Program,* http://portal.hud.gov/hudportal/HUD?src=/hudprograms/continuumofcare

Through the CoC funding and CDBG programs, the City supports various shelter programs, as well as the development of affordable housing units, which effectively target the unsheltered women, children and families. Oahu shelters report a 15% vacancy rate with capacity to assist unsheltered persons.

While capacity is available, the combination of severe mental illness and substance abuse diagnosis pose limitations on the chronically homeless that inhibit their ability to function in the group setting of shelters.

Most options within the CoC programs require participation in substance abuse or alcohol treatment programs as a prerequisite for entry into an emergency shelter or transitional housing. The mandatory participation is often viewed as a barrier to entry, thus further increasing the challenges of addressing the needs of this vulnerable population.

By contrast, the Housing First model removes the barrier of mandatory treatment for program enrollment, and provides permanent supportive housing directly from streets and shelters. The newly housed individual is immediately provided with extensive case management and wrap-around services to address the multiple needs. Data has shown that over time voluntary enrollment in the treatment program is achieved.

Housing First works on two central premises: (1) re-housing should be the central goal of working with people experiencing homelessness, and (2) by providing housing assistance and follow-up case management services after a family or individual is housed, we can significantly reduce the time people spend in homelessness.[11]

Elements of Housing First[12]

Housing Stabilization
- Immediate placement in long-term housing
- Locating housing and short-term rental assistance

Crisis Intervention
- Stabilize participants with case management
- Connect to community resources

Long-Term Action Plan
- Improve financial literacy, budgeting and job skills
- Identify underlying causes of homelessness
- Engaged landlords as partners

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[11] *National Alliance to End Homelessness*, http://www.endhomelessness.org/library/entry/housing-first-for-individuals-and-families).

[12] http://www.unitedwaydanecounty.org/housing-first/

Housing First is endorsed by the United States Interagency Council on Homelessness (USICH) as a "best practice" to end chronic homelessness in America. Locally, the Hawaii Interagency Council on Homelessness (HICH) recommends rapidly "returning people experiencing homelessness to stable housing," and also recommends to expand the supply of permanent supportive housing options for people who are homeless.[13]

Seattle, Washington reports that prior to Housing First, chronically homeless persons with severe alcohol problems had median costs of $4066 per person per month. After 12 months in housing, median monthly costs reduced to $1492. Total cost savings for Housing First participants averaged $2449 per person per month after accounting for housing program costs.[14]

Housing First results are further documented with Seattle, Washington reporting an 85% retention rate, and Philadelphia, Pennsylvania[15] reports 84% of the chronically homeless persons are still in apartments after twelve months.

Transition from the current "treatment first" to a Housing First system requires a shift in focus from the emergency shelter & transitional housing approach, to an approach that prioritizes and leverages federal and state funding towards Housing First programs. A shift in policy and philosophy "closes the front door" to homelessness through preventive measures and housing homeless persons as quickly as possible.

The supportive housing component of Housing First encompasses a range of approaches including scattered sites or single sites. The two alternatives are equally effective.

1. Scattered site approach provides participants with rent subsidies, such as portable vouchers, to obtain housing from private landlords and supportive services are delivered through home visits; and

2. Single site, also referenced as project-based site consists of housing developments or apartment buildings in which units are designated as supportive housing.

The Housing First model presents a challenge based on the inability to force a decision on a chronically homeless person. Success can only be measured by retention rate once a person is located in permanent supportive housing.

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[13] State of Hawaii, Hawaii Interagency Council on Homelessness, *Plan to End Homelessness in Hawaii, rev. September 2008,* State of Hawaii, Hawaii Interagency Council on Homelessness.

[14] The Journal of American Medical Association, "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems," http://jama.jamanetwork.com/article.aspx?articleid=183666.

[15] http://furmancenter.org/files/Tsemberispresentationslides.pdf.

Housing Alternatives

Any policy for addressing the chronically homeless requires sufficient capacity of dwelling units, whether a shelter, transitional housing, permanent housing, or permanent supportive housing. For purposes of this report, the following options were researched:

1. Single Room Occupancy Units

   Single Room Occupancy (SRO) units compare to dormitory-style living with small individual bedrooms supported with common bath and kitchen facilities. Within urban Honolulu 215 SRO units were identified. The properties are located from Moiliili to Kalihi. As of April 26, 2013, there are 23 available units with rents ranging from $400 - $600 per month.

   SRO units offer a long-term solution for housing chronically homeless persons. However, Honolulu's current vacancy of only 23 units provides limited capacity. Increasing the inventory of SRO units would provide for sustainability with operations maintained through outsourcing, similar to the current management practice for the existing City portfolio of special needs housing properties.

2. Safe Zones

   The utilization of Safe Zones or safe camping facilities offers a stopgap alternative. These facilities typically include comfort, shower, and possibly storage or locker facilities.

   With the passage of Act 105 (2012) and the State's creation of the Hawaii Interagency Council on Homelessness (HICH), Section 4, SLH 2012 required the Department of Human Service (DHS), in conjunction with the advisement of HICH, to conduct a study on designated facilities that would support Safe Zones. DHS and HICH found Safe Zones unworkable and advised that the State not pursue creating such facilities.[16]

   The following is an excerpt of the State's findings on Safe Zones:

   - Inconsistent with existing federal and state programs to stabilize homeless families by creating safe emergency and transitional shelters to prepare them for moving into and living in permanent supportive housing.

   - Permanent housing is the key to homelessness and that all efforts should be to prepare homeless individuals to assume their residency in permanent housing.

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[16] Report to the Twenty-Seventh Hawaii State Legislature 2013, In Accordance with the Provisions of Act 105, Section4, Session Laws of Hawaii 2012, Department of Human Services and Hawaii Interagency Council on Homelessness, December 2012, pg 2.

- Will divert scarce resources away from creating a path to permanent housing for homeless individuals by condoning, if not encouraging homelessness and the continuance of a nomadic lifestyle.

- Will be expensive to implement and will not be able to guarantee the safety and well being of the homeless individuals involved.

- Will not be able to provide necessary wrap around services to individuals as is presently available to them in State emergency and transitional shelters.

- Will not be able to guarantee the safety of homeless individuals for the evening because of the drop-in nature of the overnight shelter, the inability of the State or any hired contractor to identify potentially harmful persons in the encampment, and the high cost of hiring on site security during the hours the public areas are used as makeshift shelters. The low security nature of these evening-only encampments will potentially expose the State to liability for the harm done to homeless residents or other individuals.

While Safe Zones are not considered a viable permanent solution to Honolulu's homeless problem, the alternative merits further investigations as a stopgap measure. Safe Zones provide a temporary answer until sufficient policy and administrative measures are created to house Honolulu's unsheltered and chronically homeless population.

3. City-Owned Property

Efforts continue to compile data on all usable city property for the purposes of homeless residential developments and safe zones. By initial accounts, the City has very few parcels of usable land, and few usable buildings.

4. Special Needs Housing

Several Oahu real properties are suitable for special needs housing programs that cater to the homeless population. A requirement of such a development includes wrap around services, which is the basis for a Housing First development. Through the Request for Proposal process, suitable developers and proposals may be solicited. Properties could be acquired through use of the Affordable Housing Fund (AHF), or a combination of CDBG, HOME, and AHF monies.

The Waikiki Business Improvement District provided a list of for-sale properties in the Waikiki district. One such property showed potential – located on Ala Wai Boulevard and pictured below. It is a middle density property, smaller than the large condominiums in the area, and provided as an example of a facility that could be rehabilitated into a Housing First model. The location is well situated approximately ¼ mile from Waikiki Health Center and less than ¼ mile from a major bus transit line.

http://www.hicentral.com/properties-for-sale.html, MLS #1208533

Available Funding for Homeless Program Initiatives

The United States Interagency Council on Homelessness reported that President Obama's Fiscal Year 2014 budget includes more than $5.3 billion for targeted homeless assistance funding, a 21% increase over the previously enacted fiscal year 2012 budget.[17] The increase in federal funding provides Honolulu with continued fiscal support for the outreach, case management and supportive services aimed to eliminate unsheltered homeless persons.

1. Continuum of Care (CoC)

   While the current CoC funding of $11 million will be sustained, the method of deploying resources requires modification if a policy change adopts the Housing First model. The same federal funds that currently manage homeless programs and initiatives through the CoC also support the Housing First model. The CoC funding guidelines establish a community-based group of providers, Partners in Care (PIC) that participate in development of spending priorities. Support from the PIC is required to change policy and philosophy of directing the CoC funds.

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[17] United States Interagency Council on Homelessness, *Proposed Fiscal Year 2014 Budget Fact Sheet: Targeted Homelessness Assistance*, www.usich.gov.

Initially, CoC resources are adequate for the comprehensive case management delivered to the Housing First units, including rental assistance for homeless persons from the Shelter Plus Care (S+C) program. S+C funds are distributed through portable rental assistance vouchers. The long-term sustainability requires additional subsidy and increased inventory of dwelling units.

2. HOME and CDBG

   HOME and CDBG funds are potential funding sources to address the needs of chronically homeless persons. HOME funds are eligible for tenant based rental assistance or housing rehabilitation. Fifteen percent (15%) of Honolulu's CDBG funds are eligible to provide supportive services, with the balance eligible for acquisition or new construction. However, City Council support of a fiscal policy change is required to permit implementation. Current policy provides minimal priority to funding City initiatives with CDBG and HOME funds.

   The anticipated proceeds from the sale of the City's rental-property portfolio, includes a projected $2.5 million in HOME funds and $35 million in CDBG program income. The availability of $37.5 million of HUD program income is timely, as well as an appropriate use of funding to address the needs of the chronically homeless population.

3. Affordable Housing Fund

   In 2006, residents of Honolulu voted to create a special fund for the expressed purpose to create low- and moderate-income affordable housing units. Section 9-204 of the Revised Charter of the City created the Affordable Housing Fund (AHF). Annually, ½% of certified real property tax revenues are deposited into the AHF, an average of $4.6 million yearly. The current fund balance is approximately $17 million.

   The AHF provides needed equity for development of housing for homeless individuals and conforms to the current administrative rules and use of the fund, which is the creation of affordable housing units for households at or below 50% of area median income.

Recommendations

After consideration of the demographics of Honolulu's homeless population, a review of national best practices, housing alternatives and available funding options, the following recommendations are offered for implementation.

1. **City agencies and their contractors/provider agencies should take specific actions in 2013 to address public health and safety issues stemming from Honolulu's 1,465 unsheltered homeless persons.**

   a. **The City should adopt a policy to support the Housing First principles and to implement a scattered-site model. The policy should specify a goal of allocating**

a. **The City should adopt a policy to support the Housing First principles and to implement a scattered-site model. The policy should specify a goal of allocating federal and state resources administered by the City that should be directed toward Housing First model. The policy should further state the City's commitment to use its general funds to solve the chronically homeless problem, when balanced against competing and limited resources to pay for basic and essential services for residents and visitors.**

Assuming federal, state and/or City funds are available through a policy shift as described above, the following Implementation Plan identifies specific actions and a schedule for the implementation of the Housing First scattered-site model through issuance of a Request for Proposal (RFP) to providers. City agencies and provider agencies should collaborate with community leaders of the respective council districts to support implementation of the Housing First scattered-site model.

Success requires community buy-in of the solutions to address the homeless needs and conditions at the regional level. The PIT count identifies the regional distribution of unsheltered chronically homeless adults to support an initial focus on Downtown Honolulu, Waikiki, Ewa, and Waianae. However, each region with identifiable homeless persons should implement region appropriate solutions.

Each geographic region should custom-fit the Housing First model to best address the regional characteristics of their homeless population, and to maximize utilization of area program providers and financial resources.

In addition to the Implementation Plan, numerous exhibits are provided to illustrate and quantify the needs of the homeless population and the methods of funding the Housing First program.

Exhibit A, Housing First – Annual Projections, illustrates the required resources to support implementation of the Housing First model, and identifies potential funding sources.

Exhibit B, Housing First – Capital Investment Projections, illustrates the geographical need for dwelling units to provide housing for all 1,465 unsheltered persons, and identifies potential funding sources.

Exhibit C, Unmet Need for Affordable Housing Dwelling Units, identifies the current and planned capacity of vacant dwelling units on a geographical basis.

Exhibit D, Honolulu Homeless Provider Distribution by Council District identifies the neighborhoods where providers are currently serving the sheltered and unsheltered homeless persons of Oahu.

IMPLEMENTATION PLAN

GOALS

The City shall adopt the Housing First model and its principles, as endorsed by the United States Interagency Council on Homelessness (USICH) as a "best practice" for governments and service-agencies to use in their fight to end chronic homelessness.[18]

The Housing First principles are:

1. Move people into housing directly from streets and shelters without preconditions of treatment acceptance or compliance.
2. The provider is obligated to bring robust support services to the housing. These services are predicated on assertive engagement, not coercion.
3. Continued tenancy is not dependent on participation in services.
4. Units targeted to the most disabled and vulnerable homeless members of the community.
5. Embraces harm reduction approach to addictions rather than mandating abstinence. At the same time, the provider must be prepared to support resident commitments to recovery.
6. Residents must have leases and tenant protections under the law.
7. Can be implemented as either a project-based or scattered-site model.[19]

INDICATORS

The measurement of success for the Housing First model will be the percentage of Chronically Homeless People - Unsheltered[20] moved from the streets into supportive housing scattered-site units as benchmarked by the annual City and County of Honolulu, Homeless Point-in-Time Count, Subpopulation Data.

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[18] "Homeless Crisis Response" - Opening Doors Objectives, http://www.usich.gov/plan_objective/homeless_crisis_response

[19] "Housing First Principles". Downtown Emergency Service Center. July, 2007, http://homeless.ehclients.com/images/uploads/DESC_Housing_First_Principles.pdf

[20] "City and County of Honolulu Homeless Point-in-Time Count 2013," unpublished, City and County of Honolulu, Department of Community Services; State of Hawaii, Department of Human Services, Homeless Programs Office; and Partners in Care- Oahu Continuum of Care; April 2013, pg 9.

STRATEGY

The City will improve efforts to move chronically homeless unsheltered people into supportive housing by employing a collaborative strategy within the Request for Proposals (RFP) to implement the Housing First program on Oahu. The collaboration of funding from federal, state and county sources will support multi-discipline program implementation consistent with the Housing First principles.

TACTICS

1. The City will outreach to build community support among the public, business and faith-based communities to employ the Housing First scattered-site model within the seven regional divisions as identified within the Honolulu, Homeless Point-in-Time Count (PIT) data.

2. The City's RFP will promote collaboration amongst providers to insure delivery of comprehensive support services to the Housing First residents, to include housing, case management, health care, mental health care, substance abuse treatment, life-skills training, job training, and data collection.

3. The City will coordinate RFP content and timing with State of Hawaii RFP release to achieve maximum funding, utilization and effectiveness of Housing First model.

4. The City through RFP will acquire and rehabilitate structures within the appropriate regions to increase the available inventory of Single Room Occupancy (SRO) units.

PERFORMANCE STANDARDS

The City's Housing First demonstration project will place 25 persons or 5% of the Chronically Homeless People – Unsheltered as counted on January 22, 2013 in scattered-site supportive housing by December 31, 2014, and increase placement of an additional 50 persons or 10% for calendar year 2015.

TACTIC	ACTIONS	AGENCY	DATE
Build community support through outreach	Utilize PIT data to establish regional priority for implementation	MOH/DCS	May 2013
	Schedule community meetings in collaboration with area elected officials	MOH/DCS	Jun – Aug 2013
	Schedule meetings with providers, public, business and faith-based communities	MOH/DCS	Jun – Aug 2013
	Identify key supporters	MOH/DCS	Aug 2013
	Develop regional implementation schedule	MOH/DCS	Aug 2013
Develop RFP for Housing First in coordination with State	Identify housing resources to support scattered-site implementation	DCS/MOH	Jul – Aug 2013
	Identify funding resources	DCS/MOH	Jul – Aug 2013
	Identify provider resources	DCS/MOH	Jul – Aug 2013
	Draft Housing First RFP content	DCS/MOH	Sep 2013
	Review draft RFP with State agencies	DCS/MOH	Oct 2013
	Revise RFP as appropriate	DCS/MOH	Oct 2013
	Schedule RFP release with procurement office	DCS/MOH	Nov 2013
	Award Housing First contract to provider	DCS/MOH	Jan 2014
Develop RFP for SRO Acquisition	Identify potential properties	DCS/MOH	Oct – Nov 2013
	Seek FY15 budget approvals	DCS/MOH	Jan – May 2014
	Conduct Due Diligence	DCS/MOH	Jun – Jul 2014
	Complete Environmental Assessment	DCS/MOH	Jul – Dec 2014
	Award RFP to provider	DCS/MOH	April 2015
	Acquisition	DCS/MOH	May 2015
	Rehabilitation	DCS/MOH	Jun - Nov 2015
	Occupancy	DCS/MOH	Dec 2015

DCS = Department of Community Services
MOH = Mayor's Office of Housing

b. The City should work with the Continuum of Care agencies to transition federal Continuum of Care resources toward adding Housing First projects to future HUD applications through a Request for Interest (RFI) process.

The Department of Community Services administers the federal Continuum of Care (CoC) funding to support countywide efforts to address homeless needs. The Honolulu Continuum, known as the Partners in Care (PIC), establishes the CoC funding priorities. A total of $10,826,547 is allocated toward homeless-directed programs and providers. A portion of these funds should be transitioned toward Housing First projects.

Consistent with current national discussions, within the next three years Honolulu should increase homeless program monies to support the Housing First philosophy. Given the community-based structure of CoC funding, efforts to gain the support of PIC members is required and important for successful implementation of the Housing First model.

HUD Continuum of Care (CoC) - Supportive Housing Program (SHP)		
Alternative Structures Int'l - Ohana Ola O Kahumana	$142,024	Transitional Shelters - Families
Child and Family Services	$83,084	Domestic Abuse Shelters + Transitional Apt
Catholic Charities - Maili Land	$131,387	Transitional Housing - Families
Ho'omau Ke Ola Supportive Housing Program	$182,070	Substance Abuse Treatment Program
Gregory House Programs	$350,273	Transitional Housing - HIV/AIDS
Hale Kipa	$133,741	Transitional Housing - Young Adults
Housing Solutions: Vancouver House	$53,202	Transitional Housing - Program
Legal Aid	$63,594	Homeless Related Legal Services
Mental Health Kokua - Safe Haven	$845,603	Shelter + Services - Severe Mental Illness
Steadfast Housing Dev. Corp	$284,496	Group Homes - Severe Mental Illness
The Salvation Army - Nuuanu	$177,076	Substance Abuse Treatment Program
The Salvation Army - Manoa	$142,024	Transitional Shelter - Women + Children
United States Veterans Initiative - Barbers Point	$335,592	Transitional Housing - Veterans
United States Veterans Initiative - Kalaeloa Permanent Housing	$134,764	Permanent Supportive Housing - Homeless Veterans with Disabilities
United States Veterans Initiative - Permanent Housing	$246,584	Permanent Supportive Housing - Chronically Homeless Veterans + Families
Total SHP	**$3,460,162**	

HUD Continuum of Care (CoC) - Shelter Plus Care (S+C)		
Institute of Human Services Kalihi Palama Health Center Steadfast Housing Development Corporation	$5,168,639	Rental Assistance for Homeless Persons with Disabilities
Gregory House Programs	$511,917	Rental Assistance for Homeless Persons with HIV/AIDS
Total S+C	**$5,680,556**	

Emergency Solutions Grants (ESG) - Emergency + Transitional Housing		
Child and Family Services	$51,750	Domestic Abuse Shelters + Transitional Apt
Catholic Charities	$79,168	Transitional Housing - Families
Ho'omau Ke Ola Supportive Housing Program	$34,346	Substance Abuse Treatment Program
Hale Kipa	$62,100	Transitional Housing - Young Adults
Housing Solutions, Inc	$97,290	Transitional Housing Program
Institute for Human Services	$221,129	Emergency Shelter for Men
Kalihi-Palama Health Center - IHS Health Clinic	$77,625	Health Clinic for Homeless Persons
Mental Health Kokua - Safe Haven	$207,000	Shelter + Services - Severe Mental Illness
Windward Spouse Abuse Shelter	$29,171	Domestic Abuse Shelter
Total ESG – Emergency + Transitional Housing	**$859,579**	

Emergency Solutions Grants (ESG) - Homeless Prevention + Rapid Re-Housing (HPRR)		
Institute for Human Services	$397,082	Serves all Oahu
Kalihi-Palama Health Center	$207,000	Serves all Oahu
Waianae Coast Comprehensive Health Center	$222,168	Serves all Oahu
Total ESG - HPRR	**$826,250**	

Total Continuum of Care (CoC): $10,826,547

c. **City should adopt a public policy to support use of HUD Community Development Block Grants (CDBG) and HOME Investment Partnership (HOME) funds to implement the Housing First model.**

Given the large influx of CDBG and HOME program income for fiscal year 2014, consideration should be given to use CDBG and HOME monies to address the homeless population. In addition to amending the CDBG policies to identify housing as a priority, policies should permit City-initiatives to be funded with CDBG and HOME monies. Fifteen percent of CDBG is eligible for housing supportive services and administrative costs, while HOME funds may provide tenant based rental assistance.

Exhibit A provides financial analysis that projects the cost of implementing the scattered-site Housing First program for two years is $4.9 million at an average cost per person of $48,000. Annual costs rise to $31.5 million in year eight when capacity of the program reaches 650. The projections assume long term Housing First participation for all 505 of the currently identified chronically homeless persons, plus an additional increase of 150 persons based on the data that suggests 30% of the chronically homeless persons have been on the street less than one year.

The federal CoC funding at $11 million annually is insufficient to meet all of the program needs. Therefore, the CDBG and HOME funds, along with additional general funds or alternate grants, are required to sustain the capacity of the Housing First model after year three.

d. **The City should adopt public policies focused on developing and financing acquisition and/or rehabilitation of Single Room Occupancy (SRO) units as appropriate to geographical regions.**

A sufficient inventory of SRO units is required to sustain the Housing First initiative. While the City is ending its role as asset manager of affordable housing units, the disabilities of the chronically homeless population deems their housing needs consistent with the special needs housing that the City currently maintains through third-party contracts. Building acquisition and rehabilitation should be accomplished through the RFP process to outsource the operational responsibilities of the special needs housing.

Exhibit B illustrates the magnitude of the housing needs of the City's unsheltered persons, and quantifies the acquisition and rehabilitation costs to provide a dwelling unit for each of the 1,465 unsheltered homeless persons. The total investment cost exceeds $287 million. If all of the eligible FY14 CDBG and HOME program income, annual HUD appropriations for FY15, FY16, FY17 and FY18, and the entire Affordable Housing Fund were earmarked to acquire the special needs housing component of Housing First, the funds would support acquisition and rehabilitation of approximately 500 dwelling units, addressing only the needs of the chronically homeless.

Additional economic factors to consider in the financial analysis of Housing First, includes:

i. The $15,000 cost for a two-day enforcement action under the City's stored property ordinance is greater than the $12,000 of annual rental subsidy per person. If the City conducted 35 enforcement actions in one year, the funds would pay the annual rent for about 40 homeless persons.

ii. The $150,000 cost of acquiring a SRO type unit is equal to 17 years of annual rental subsidy at $12,000 per year.

Sustainability of the program is vulnerable to the availability of federal CoC, CDBG, HOME and other earmarked funds. To address the uncertainty of government sources, the City should turn to the private sector to create an endowment fund to support the program funding necessary to support the long-term, uninterrupted effort to assist the most vulnerable population of unsheltered persons.

2. **Through adoption of the Housing First philosophy, the City should leverage the following federal, state, community, and private sector partnerships to provide case management, employment training, and other services to address the medical, psychological, social, vocational and legal needs of chronically homeless individuals.**

U.S. Department of Housing and Urban Development	Community Foundations
State of Hawaii - Department Human Services	Civic and Rotary Clubs
State of Hawaii - Department of Health	Aloha United Way
State of Hawaii - Hawaii Housing Finance & Development Corporation	Partners in Care
State of Hawaii - Hawaii State Judiciary	Catholic Charities of Hawaii
State of Hawaii - Hawaii Public Housing Authority	Gregory House
State of Hawaii - Hawaii Interagency Council on Homelessness	Hale Kipa
City– Department of Community Services	Housing Solutions
City– Department of Facility Maintenance	Institute for Human Services
City – Office of Housing	Kalihi Palama Health Center
City – Honolulu Police Department	Legal Aid
Business Associations	Safe Haven / Mental Health Kokua
Financial Institutions	Salvation Army
Insurance Companies	Steadfast Housing
Labor and Trade Unions	United States Veterans Initiative
Legal/BAR Associations	Waianae Coast Comprehensive Health Center
Major land owners	Waianae Community Outreach
Native Hawaiian Organizations	Waikiki Health Center
Neighborhood Boards	
Real Estate Developers	
Tourist/Hotel Industry	

3. **To address the potential impact of federal funding reductions and programs that may be reduced as a result of the 2013 federal sequestration, the City should:**

   a. **Continue to monitor information from the federal agencies on direct impacts;**

   b. **Implement cost saving measures to sustain programmatic goals with current funding levels; and**

   c. **Amend fiscal policy to support funding of homeless initiatives.**

   The impact of federal funding cuts to the CDBG program was addressed with the Charter Amendment that created the Grants-in-Aid (GIA) Fund. With the enabling legislation enacted, and implementation moving forward, the City has addressed one of the federal funding reductions and provided a safety net for non-profit organizations.

   The City should amend fiscal policies to support the use of existing federal funds, specifically CDBG and HOME to provide funding for the Housing First initiative. Additionally, if the City experiences deeper cuts from HUD, the priority of the homelessness issue may require a further shift in policy to include the use of City general funds to support the Housing First initiative, but only to the extent that core City services are sustained.

4. **The City should set specific placement goals, utilizing the data collected during the annual Point-in-Time count as the benchmark to achieve measurable results to relocate homeless individuals to appropriate housing, services, or treatment programs.**

   a. **The City's Housing First demonstration project will place 25 persons, which is 5% of the Chronically Homeless People – Unsheltered as counted on January 22, 2013 in scattered-site supportive housing by December 31, 2014; and**

   b. **Assuming funding availability, the second phase of the demonstration project will place 50 additional persons, which is 10% of the Chronically Homeless People – Unsheltered as counted on January 22, 2013 in scattered-site supportive housing during calendar year 2015.**

   The estimated cost to implement this two-year program is $4.9 million at an average cost per person of $48,000.

5. **The City should adopt legislation to support implementation of the Housing First initiative, including:**

   a. **Amendment of fiscal policies and CDBG priorities to support funding of Housing First with all available federal monies; and**

b. Amendment to the fiscal year 2014 operating budget to add one (1) permanent full-time position and $150,000 to support implementation of the Housing First Initiative.

On May 7, 2013, the Hawaii State Legislature approved passage of SB 310 SD2 establishing an assisted community treatment program design to better facilitate mental health treatment of chronically homeless persons. The State's new legislation will greatly support the City's efforts to address Oahu's chronically homeless persons.

Summary

This report is prepared in response to Council Resolution 13-55, CD1. The proposals and recommendations contained herein reflect a City commitment to direct resources to solve the chronically homeless problem from a human services perspective. Any effort by the City must be partnered with community and business groups working together and with enforcement efforts to compassionately displace the chronically homeless from public places. If such policies are adopted, it will be a first effort in many years by the City to address this problem.

The characteristics of the chronically homeless population present a great challenge to success. Despite directing financial resources toward establishing shelter and treatment programs, there is no guarantee the homeless persons will utilize the resources. However, the actual results of the Housing First model in other major cities tell a story of success.[21]

- **Quincy, MA** witnessed a 50 percent reduction in chronic homelessness between 2005 and 2009.
- Chronic homelessness in **Norfolk, VA** fell by almost 40 percent between 2006 and 2008.
- There was a 36 percent decline in chronic homelessness in **Denver, CO** between 2005 and 2007.
- **Portland, OR** found that the number of chronically homelessness people sleeping outside fell 70 percent between 2005 and 2007.
- Chronic homelessness in **Portland, ME** declined by 49 percent between 2004 and 2007.
- **Wichita, KS** reduced chronic homelessness 61 percent between 2005 and 2009.

In addition, to documenting their success at reducing chronic homelessness, many cities are also documenting the cost effectiveness of their efforts. While making progress toward ending chronic homelessness, Portland Oregon is saving the public over $16,000 per chronically homeless person. Further evidence of national efforts is provided by the National Alliance to End Homelessness publication on policy solutions attached as Exhibit F.

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[21] National Alliance to End Homelessness, *"Chronic Homelessness Policy Solutions,"* 2010, http://www.endhomelessness.org

EXHIBIT A

Housing First
Annual Projections

ASSUMPTIONS

- Honolulu Point-in-Time Count 2013 preliminary data used as basis for analysis:
  - 505 reported unsheltered, chronically homeless persons
  - 30% chronically homeless persons reported being homeless less than one year

- Attrition rate based on Seattle, Washington's reported 85% retention rate.

- Programmatic goals conservatively established based on the mentally ill condition of most chronically homeless persons, and the City's inability to impose relocation on any individual.

- Program annual projections are prorated based on average annual salary for case managers, mental health providers, workforce development and substance abuse treatment professionals assuming an annual caseload of twenty-five (25) chronically homeless participants.

- Program costs may be reduced to serve the generally unsheltered persons as illustrated in Exhibit A Supporting Data.

- Annual housing costs based on average value of HUD Section 8 tenant based rental assistance vouchers at $1,000 monthly.

Housing First - Annual Projections Supporting Data

City and County of Honolulu
Department of Community Services
May 8, 2013

ASSUMPTIONS FOR SUPPORTIVE CARE, HOUSING & ADMINISTRATION COSTS OF HOUSING FIRST PROGRAM

UNSHELTERED PERSONS

CASELOAD 40

Case Management		
Annual Cost	$ 180,000	
Annual caseload	40	
Annual cost per person	4500	
Mental Health		
Annual Cost	$ 180,000	
Annual caseload	40	
Annual cost per person	4500	
Health Care		
Annual Cost	$ 140,000	
Annual caseload	40	
Annual cost per person	3500	
Substance Abuse Treatment		
Annual Cost	$ 125,000	
Annual caseload	40	
Annual cost per person	3125	
Workforce Development		
Annual Cost	$ 125,000	
Annual caseload	40	
Annual cost per person	3125	
TOTAL SUPPORTIVE SERVICES		$ 18,750
TOTAL HOUSING ASSISTANCE		$ 12,000
Administration		
Annual Cost	$ 150,000	
Annual caseload	40	
Annual cost per person	3750	
TOTAL ADMINISTRATION		$ 3,750
TOTAL ANNUAL COST PER PERSON		$ 34,500

CHRONICALLY HOMELESS PERSONS

CASELOAD 25

Case Management		
Annual Cost	$ 180,000	
Annual caseload	25	
Annual cost per person	7200	
Mental Health		
Annual Cost	$ 180,000	
Annual caseload	25	
Annual cost per person	7200	
Health Care		
Annual Cost	$ 140,000	
Annual caseload	25	
Annual cost per person	5600	
Substance Abuse Treatment		
Annual Cost	$ 125,000	
Annual caseload	25	
Annual cost per person	5000	
Workforce Development		
Annual Cost	$ 125,000	
Annual caseload	25	
Annual cost per person	5000	
TOTAL SUPPORTIVE SERVICES		$ 30,000
TOTAL HOUSING ASSISTANCE		$ 12,000
Administration		
Annual Cost	$ 150,000	
Annual caseload	25	
Annual cost per person	6000	
TOTAL ADMINISTRATION		$ 6,000
TOTAL ANNUAL COST PER PERSON		$ 48,000

ASSUMPTIONS:

Supportive services includes team of ten (10). Two members of each discipline.
Total Supportive Services costs includes professional salaries plus fringe benefits and indirect cost at 50% of base salary.

Housing First - Annual Projections

City and County of Honolulu
Department of Community Services
May 8, 2013

	Beginning	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	TOTAL
Source of Funds	**Available**									
FY14 CDBG Program Income $35M @ 15%	5,250,000	909,000	2,727,000							
ANNUAL										3,636,000
CDBG Appropriation $7.5M @ 15%	1,125,000			1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	6,750,000
CoC Supportive Services	5,500,000			4,275,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	31,775,000
FY14 HOME Program Income TBRA	2,500,000	303,000	909,000							
ANNUAL										1,212,000
HOME Appropriation TBRA	2,500,000			1,818,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	14,318,000
CoC Shelter Plus Care TBRA	5,500,000			54,000	530,000	1,742,000	2,954,000	4,166,000	5,378,000	14,824,000
General Fund or GIA Fund					2,465,000	6,101,000	9,737,000	13,373,000	17,009,000	48,685,000
Total Source of Funds	**22,375,000**	**1,212,000**	**3,636,000**	**7,272,000**	**12,120,000**	**16,968,000**	**21,816,000**	**26,664,000**	**31,512,000**	**121,200,000**
Use of Funds										
	# Participants	25	76	152	253	354	455	556	657	
	Annual Unit Cost									
Supportive Services	**$ 30,000**	$ 757,500	$ 2,272,500	$4,545,000	$7,575,000	$10,605,000	$13,635,000	$16,665,000	$19,695,000	75,750,000
Housing										
Scattered Site	$ 12,000	303,000	909,000	1,818,000	3,030,000	4,242,000	5,454,000	6,666,000	7,878,000	30,300,000
Adminstration										
Staff, research, data collection	$ 6,000	151,500	454,500	909,000	1,515,000	2,121,000	2,727,000	3,333,000	3,939,000	15,150,000
Total Use of Funds	**$ 48,000**	**1,212,000**	**3,636,000**	**7,272,000**	**12,120,000**	**16,968,000**	**21,816,000**	**26,664,000**	**31,512,000**	**121,200,000**
Cummulative Use of Funds		**1,212,000**	**4,848,000**	**12,120,000**	**24,240,000**	**41,208,000**	**63,024,000**	**89,688,000**	**121,200,000**	

EXHIBIT B

Housing First
Capital Investment Projections

Housing First - Capital Investment Projections

City and County of Honolulu
Department of Community Services
May 8, 2013

Source of Funds		# Years	Amount	Total
HAHPI Sale				
CDBG program income	$35M less 15% admin/svc			29,750,000
HUD Annual Appropriation				
CDBG	$7.5M less 15% services	4	6,375,000	25,500,000
Affordable Housing Fund				
Balance on Hand				16,600,000
FY15 to FY18 (4 years)		4	4,600,000	18,400,000
General Obligation Bonds				197,750,000
Total Source of Funds				$ 288,000,000

Use of Funds — UNSHELTERED HOMELESS

Location	PIT Count	Description	# Dwelling Units	Cost per Unit	Total Cost
Council District 1	348	Acquisition	348	150,000	52,200,000
Waianae - Ewa		Rehab @ $25,000 per unit	174	25,000	4,350,000
Council District 2	120	Acquisition	120	150,000	18,000,000
Wahiawa - North Shore		Rehab @ $25,000 per unit	60	25,000	1,500,000
Council District 3	52	Acquisition	52	200,000	10,400,000
Waimanalo - Windward		Rehab @ $25,000 per unit	26	25,000	650,000
Council District 4	263	Acquisition	263	200,000	52,600,000
Waikiki - East Honolulu		Rehab @ $25,000 per unit	132	25,000	3,287,500
Council District 5	100	Acquisition	100	200,000	20,000,000
Kaimuki - McCully		Rehab @ $25,000 per unit	50	25,000	1,250,000
Council District 6	409	Acquisition	409	200,000	81,800,000
Downtown -Halawa		Rehab @ $25,000 per unit	205	25,000	5,112,500
Council District 7	100	Acquisition	100	200,000	20,000,000
Kalihi - Sand Island		Rehab @ $25,000 per unit	50	25,000	1,250,000
Council District 8	33	Acquisition	33	200,000	6,600,000
Waipahu - Pearl City		Rehab @ $25,000 per unit	17	25,000	412,500
Council District 9	40	Acquisition	40	200,000	8,000,000
Waikele - Ewa Beach		Rehab @ $25,000 per unit	20	25,000	500,000
Total Use of Funds	1465				$ 287,912,500

ASSUMPTIONS: Honolululu Point-in-Time (PIT) Count 2013 Exhibits 7 & 10 identified regions.
Downtown Honolulu PIT #s distributed to Council Districts 5, 6 & 7 (Airport to Piikoi).
Rehabilitation costs based on actual DCS historical project data.
Acquisition costs based on review of MLS listing for fee-simple, multi-family buildings.
Assumed 50% of units required acquisition and rehabiliation.
Assumed 50% of units only required acquisition and move-in ready.

EXHIBIT C

Unmet Need for Affordable Housing Dwelling Units Current Vacancy and Planned Capacity Compared to # Unsheltered Persons on Regional Basis

Unmet Need for Affordable Housing Dwelling Units

Current Vacancy and Planned Capacity Compared to # Unsheltered Persons on Regional Basis

City and County of Honolulu
Department of Community Services
May 8, 2013

Location	Description	# Dwelling Units	Status	A 2013 Vacancy	B Future Capacity	C = A + B C Available Dwelling Units	D Unsheltered Persons PIT Count	E = C - D E Unmet Regional Housing Needs
Council District 1								
Waianae - Ewa	Hale Makana O Nanakuli	48	Completion 2013 - 4Q	48		296	348	(52)
	Ko'oloa'ula Phase I	120	Completion 2013 - 3Q	120				
	Villages of Moa'e Kū - Phase II	76	Under construction		76			
	Villages of Moa'e Kū - Phase III	52	Future Phase		52			
Council District 2								
Wahiawa - North Shore						0	120	(120)
Council District 3								
Waimanalo - Windward						0	52	(52)
Council District 4								
Waikiki - East Honolulu						0	263	(263)
Council District 5								
Kaimuki - McCully						0	100	(100)
Council District 6								
Downtown - Halawa	Pauahi Hale - SRO	77	Vacancy - 7 units	7		27	409	(382)
	Kikaulike St - single unit/shared bath	52	Vacancy - 20 units	20				
Council District 7								
Kalihi - Sand Island	Kanoa Apartments	14	Vacancy - 1 unit	1		4	100	(96)
	N. Nimitz - single unit/shared bath/shared kitchen	14	Vacancy - 1 unit	1				
	Kalihi - single unit	30	Vacancy - 1 unit	1				
	Passenger St - studio	12	Vacancy - 1 unit	1				
Council District 8								
Waipahu - Pearl City	Hale Mohalu II - Phase I	162	Completion 2013 - 3Q	162		331	33	298
	Hale Mohalu II - Phase II	169	Break ground 2013 - 4Q		169			
Council District 9								
Waikele - Ewa Beach	Bachelors Quarters	10	Vacancy - 1 unit	1		1	40	(39)
	TOTAL			362	297	659	1465	(806)

EXHIBIT D

Honolulu Homeless Provider Distribution by City Council District

Honolulu Homeless Provider Distribution by City Council District

City and County of Honolulu
Department of Community Services
May 8, 2013

HUD Continuum of Care (CoC) - Supportive Housing Program (SHP)			City Council District								
			1	2	3	4	5	6	7	8	9
Alternative Structures Int'l - Ohana Ola O Kahumana	$142,024	Transitional Shelters - Families	X								
Child and Family Services	$83,084	Domestic Abuse Shelters + Transitional Apt	X					X			
Catholic Charities - Maili Land	$131,387	Transitional Housing - Families	X								
Ho'omau Ke Ola Supportive Housing Program	$182,070	Substance Abuse Treatment Program	X								
Gregory House Programs	$350,273	Transitional Housing - HIV/AIDS	X	X	X	X	X	X	X	X	X
Hale Kipa	$133,741	Transitional Housing - Young Adults	X								
Housing Solutions: Vancouver House	$53,202	Transitional Housing - Program					X				
Legal Aid	$63,594	Homeless Related Legal Services	X	X	X	X	X	X	X	X	X
Mental Health Kokua - Safe Haven	$845,603	Shelter + Services - Severe Mental Illness						X			
Steadfast Housing Dev. Corp	$284,496	Group Homes - Severe Mental Illness	X			X				X	
The Salvation Army - Nuuanu	$177,076	Substance Abuse Treatment Program						X			
The Salvation Army - Manoa	$142,024	Transitional Shelter - Women + Children								X	
United States Veterans Initiative - Barbers Point	$335,592	Transitional Housing - Veterans	X								
United States Veterans Initiative - Kalaeloa Permanent Housing	$134,764	Permanent Supportive Housing - Homeless Veterans with Disabilities	X								
United States Veterans Initiative - Permanent Housing	$246,584	Permanent Supportive Housing - Chronically Homeless Veterans + Families	X	X	X	X	X	X	X	X	X
Total SHP	**$3,460,162**										

HUD Continuum of Care (CoC) - Shelter Plus Care (S+C)			1	2	3	4	5	6	7	8	9
Institute of Human Services	$5,168,639	Rental Assistance for Homeless Persons with Disabilities	X	X	X	X	X	X	X	X	X
Kalihi Palama Health Center			X	X	X	X	X	X	X	X	X
Steadfast Housing Development Corporation			X	X	X	X	X	X	X	X	X
Gregory House Programs	$511,917	Rental Assistance for Homeless Persons with HIV/AIDS	X	X	X	X	X	X	X	X	X
Total S+C	**$5,680,556**										

Emergency Solutions Grants (ESG) - Emergency + Transitional Housing (ETH)			1	2	3	4	5	6	7	8	9
Child and Family Services	$51,750	Domestic Abuse Shelters + Transitional Apt	X					X			
Catholic Charities	$79,168	Transitional Housing - Families	X								
Ho'omau Ke Ola Supportive Housing Program	$34,346	Substance Abuse Treatment Program	X								
Hale Kipa	$62,100	Transitional Housing - Young Adults	X								
Housing Solutions, Inc	$97,290	Transitional Housing Program					X				
Institute for Human Services	$221,129	Emergency Shelter for Men						X			
Kalihi-Palama Health Center - IHS Health Clinic	$77,625	Health Clinic for Homeless Persons						X			
Mental Health Kokua - Safe Haven	$207,000	Shelter + Services - Severe Mental Illness						X			
Windward Spouse Abuse Shelter	$29,171	Domestic Abuse Shelter			X						
Total ESG - ETH	**$859,579**										

Emergency Solutions Grants (ESG) - Homeless Prevention + Rapid Re-Housing (HPRR)			1	2	3	4	5	6	7	8	9
Institute for Human Services	$397,082	Serves all Oahu	X	X	X	X	X	X	X	X	X
Kalihi-Palama Health Center	$207,000	Serves all Oahu	X	X	X	X	X	X	X	X	X
Waianae Coast Comprehensive Health Center	$222,168	Serves all Oahu	X	X	X	X	X	X	X	X	X
Total ESG - HPRR	**$826,250**										

Total Continuum of Care (CoC): $10,826,547

EXHIBIT E

Proposed Legislation

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. **PROPOSED**

RESOLUTION

RATIFYING A PLAN TO ADDRESS CHRONIC HOMELESSNESS IN THE CITY AND COUNTY OF HONOLULU

WHEREAS, Honolulu's Homeless Point-in-Time Count for 2013 identified 4,556 homeless persons, with 1,465 unsheltered. Within the unsheltered category are 505 chronically homeless persons; and

WHEREAS, according to the 2012 Homeless Services Utilization Report, Honolulu's existing system of emergency and transitional shelters and outreach services, which are based on the Continuum of Care model of homeless assistance, provided shelter to 6,305 individuals and outreach services to an additional 4,959 individuals in 2012; and

WHEREAS, notwithstanding the large numbers of homeless families and individuals served through the Honolulu Continuum of Care, there remains a population of unsheltered chronically homeless persons in the City and County of Honolulu who because of their disabilities and chronic conditions are often unable to participate in a traditional shelter programs, and

WHEREAS, the concentrations of chronically homeless persons has impacted on the quality of life for residents, the business environment, and the visitor experience in many Oahu neighborhoods; and

WHEREAS, the Honolulu City Council, by adoption of Resolution 13-55, CD1 on April 17, 2013, requested the Department of Community Services to develop an immediate action plan to address the public health and safety issues associated with concentrations of homeless persons in the City and County of Honolulu, and

WHEREAS, the Department of Community Services has submitted to the Honolulu City Council ***"Report to the 2013 Honolulu City Council: Pursuant to Resolution 13-55, CD1.*** *Requesting Development of an Immediate Action Plan to Address the Public Health and Safety Issues Associated with Concentrations of Homeless Persons in the City and County of Honolulu"* (the "Report), attached hereto as Exhibit A.; and

WHEREAS, the Report recommends the adoption of the Housing First approach, which emphasizes the immediate provision of decent, safe and sanitary housing as a first step in addressing chronic homelessness, as the City and County of Honolulu['s preferred model to address chronic homelessness; and

RESOLUTION

WHEREAS, the Report recommends that the City's initial action to address chronic homelessness is to implement a targeted, scattered-site Housing First project designed to move the chronically homeless off the streets and into housing in the community; and

WHEREAS, the Report recommends that the City prioritize its use of federal Community Development Block Grant funds and HOME Investment Partnerships fund to implement the recommendations of the Report, now therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Report prepared and submitted by the Department of Community Services is accepted and approved with the appreciation of the City Council.

BE IT FURTHER RESOLVED that in furtherance to the implementation of the Report's recommendations, the Council of the City and County of Honolulu hereby acknowledges:

1) The Housing First approach is approved as the preferred program model for addressing chronic homelessness in the City and County of Honolulu.

2) The Honolulu City Council is supportive of a scattered site Housing First program designed to assist chronically homeless persons in the City and County of Honolulu, with a special emphasis on serving concentrations of chronically homeless persons in urban Honolulu, as a first step in addressing chronic homelessness in the City and County of Honolulu.

3) The Honolulu City Council concurs with prioritizing the use of federal Community Development Block Grant funds provide for case management and support services for a scattered site Housing First program and prioritizing the use of federal HOME Investment Partnership Act funds to provide tenant-based rental assistance to participants of the scattered site Housing First program.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. **PROPOSED**

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, the Director of the Department of Community Services, the Executive Director of the Office of Housing, the Director of the Department of Facility Maintenance, and the Governor's Coordinator on Homelessness.

INTRODUCED BY:

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DATE OF INTRODUCTION: _____

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_____ _____

Honolulu, Hawaii Councilmembers

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

ESTABLISHING A CITY POLICY ON THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") provides the City and County of Honolulu ("City") with an annual entitlement grant of Community Development Block Grant (CDBG funds) to promote the development of viable urban communities through the provision of decent housing and a suitable living environment, and through the expansion of economic activity; and

WHEREAS, the City, through the Honolulu Affordable Housing Preservation Initiative (HAHPI) will receive $35 million in CDBG funds through the leaseholds sale of the City's rental housing complexes.

WHEREAS, in fiscal year 2014, the City will appropriate $40.585 million in CDBG funds in the Capital Improvement Projects Budget inclusive of the City's annual CDBG entitlement, CDBG funds received as a result of the HAHPI transaction, and other CDBG program income; and

WHEREAS, within certain federal limitations, CDBG entitlement communities including the City have decision making powers over how and where the CDBG monies will be expended; and

WHEREAS, on January 5, 2012 the City Council adopted Resolution 12-11 which set priorities to guide the use of CDBG funds which superseded the priorities established in Resolution 09-206, CD1; and

WHEREAS, on _____, 2013 the City Council adopted Resolution 13-___ which designated Housing First as the preferred program model to address chronic homelessness in the City and County of Honolulu, and prioritized the use of CDBG funds to provide case management and support services in conjunction with tenant-based rental assistance funded through the HOME Investment Partnership Program for a scattered site Housing First program to address chronic homelessness in the City and County of Honolulu; and

WHEREAS, it is the City Council's desire to establish new priorities and policies in this Resolution that supersede the priorities and policies set in Resolution 12-11 by (1) providing greater emphasis on strategically investing CDBG funds in designated Neighborhood Revitalization Strategy Areas; (2) Expediting the expenditure of CDBG funds to meet CDBG expenditure benchmarks by investing in "shovel ready" public improvements and public facilities to be undertaken by City agencies, and (3) focusing

assistance to nonprofit agencies on activities which can be expeditiously completed including public services, and the acquisition, rehabilitation and renovations of public facilities and affordable housing; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Honolulu City Council hereby adopts the following priorities to guide the use of CDBG funds, to the extent allowable by HUD, for housing and community development purposes:

Priority One: CDBG-funded public services in conjunction with tenant-based rental assistance provided through the HOME Investment Partnership Program to support a scattered site Housing First program to address chronic homelessness in the City and County of Honolulu.

Priority Two: Programs and projects which implement Neighborhood Revitalization Strategies which have been approved by the City and HUD. NRSA represent an opportunity for the City to invest CDBG funds in a manner consistent with an adopted community-based strategy, which includes specific objectives, activities and performance measures. Such investments may include, but not be limited to, public services principally benefiting low and moderate income households in the NSRA, acquisition rehabilitation and/or renovation of public facilities and affordable housing, improvements to public improvements and infrastructure systems, including, but not limited to, roadway and pedestrian improvements, water, wastewater, and drainage systems, landscape improvements, and accessibility improvements, and economic development and job creation activities

Priority Three: Public services, which assist low and moderate income households who do not reside in a NRSA. CDBG-funded public services help many low and moderate income households including some of our community's most vulnerable persons such as victims of domestic violence, the homeless, and youth at risk.

Priority Four: Construction ready Infrastructure improvement projects in predominately low and moderate income neighborhoods other than NSRAs, including, but not limited to, improvements to water, wastewater, and drainage systems, roadways, pedestrian improvements, accessibility improvements and landscape improvements, with a special emphasis on infrastructure improvements in Transit Oriented Development Districts.

RESOLUTION

Priority Five: The acquisition, renovation, rehabilitation and conversion of public facilities and the renovation and rehabilitation of affordable housing projects by nonprofit agencies, including, but not limited to, shelters for the homeless, special needs housing projects, community centers, community health centers, substance abuse and mental health facilities, and adult day care and child care centers.

Priority Six: Community economic development activities. The provision of employment and entrepreneurial opportunities for low and moderate income households will contribute to the development of viable urban communities by strengthening the economic fabric of a community, and providing opportunities for low and moderate income persons to obtain employment, income and wealth.

Priority Seven: Construction of new public facilities by nonprofit agencies. The construction of new public facilities is sometimes necessary to expand services to underserved communities or constituencies. However, new construction is a time consuming and expensive activity and the expansion of public facilities could more expeditiously be accomplished through the acquisition or conversion of an existing structure.

BE IT FURTHER RESOLVED that the city administration shall submit to the City Council annually a copy of the Consolidated Annual Performance and Evaluation Report (CAPER) as submitted each year by the city to HUD, including a copy of HUD's finalized Annual Community Assessment (ACA) report; and

BE IT FURTHER RESOLVED that this Resolution shall supersede Resolution 12-11 in its entirety; and

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

BE IT FINALLY RESOLVED that a copy of this Resolution be transmitted to the Director, United States Department of Housing and Urban Development, Honolulu Field Office, Director of the Department of Budget and Fiscal Services, the Director of the Department of Community Services and the Managing Director.

INTRODUCED BY:

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_____

DATE OF INTRODUCTION:

_____
Honolulu, Hawaii

_____
Councilmembers

DRAFT

EXHIBIT F

Chronic Homeless Brief, March 2010
Chronic Homelessness Policy Solutions

National Alliance to End Homelessness

Chronic Homelessness
Policy Solutions

SUMMARY

About 120,000 people experience chronic homelessness, living on the streets and cycling between shelters, jails, hospitals, and treatment programs. 1

Communities have dramatically reduced chronic homelessness by providing permanent supportive housing, preventing chronic homelessness, and targeting resources. 2

These interventions have been shown to not only work to end chronic homelessness, but they save communities money and improve health outcomes in the process. 3

Congress and the Administration can take key actions to help finish the job of ending chronic homelessness. 4

The National Alliance to End Homelessness is a leading voice on the issue of homelessness. The Alliance analyzes policy and develops pragmatic, cost-effective policy solutions. We work collaboratively with the public, private, and nonprofit sectors to build state and local capacity, leading to stronger programs and policies that help homeless individuals and families make positive changes in their lives. We provide data and research to policymakers and elected officials in order to inform policy debates and educate the public and opinion leaders nationwide.

www.endhomelessness.org

Nearly 10 years ago, the federal government made a commitment to end chronic homelessness. Since then, a great deal of progress has been made on that goal, much of it due to incentives and directives from the federal government, and much of it due to the benefits of reducing chronic homelessness. This brief will examine:

- Who experiences chronic homelessness;
- The progress made in reducing chronic homelessness;
- Federal policies and local practices that contributed to that progress; and
- What policymakers can do to finish the job of ending chronic homelessness in the United States.

Background

Each year, an estimated 1.6 million people access homeless shelter services,[1] though many more people experience homelessness and sleep on the streets, obtain assistance through a domestic violence shelter, or are otherwise not counted. Though most spend only a short period of time homeless, a small group of people experiences chronic homelessness. This small group may spend months or even years homeless or cycling in and out of homelessness and other institutional care. Chronic homelessness is extremely costly to publicly funded systems of care, costing tens of thousands of dollars annually for each chronically homeless individual.

Research and experience over the past 20 years has shown that there is a cost-effective solution to chronic homelessness known as permanent supportive housing. Communities across the country that have instituted that approach have reported a decline in the number of people living on the streets and in shelters. Chronic homelessness is a problem with a known solution, and federal leadership on implementing that solution has resulted in tangible reductions of this tragedy and can continue to do so.

Who Experiences Chronic Homelessness?

Chronically homeless people have disabilities such as serious mental illness, chronic substance use disorders, or chronic medical issues and are homeless repeatedly or for long periods of time.[2] They often cycle in and out of homeless shelters, jails, hospitals, and treatment programs. Because of the high service needs of this group, they use a disproportionate share of shelter beds and other public resources. A landmark study of single adult shelters found that chronically homeless individuals account for approximately 10 percent of shelter users, but consume about 50 percent of shelter resources.[3] This research led to federal initiatives focused on chronically homeless individuals unaccompanied by children. However, recently enacted legislation revised the federal definition of chronic homelessness to include families with children.[4]

People experiencing chronic homelessness have the following characteristics:

- Typically male (79-86 percent), and middle aged (60 percent are between 35 and 54)[5]
- Usually live on the streets or in places not meant for human habitation (63 percent unsheltered)[6]
- Near universal presence of disabilities (frequently multiple disabilities at once)[7]
- Frequent use of emergency rooms, hospitals, mental health services, veterans' services, substance abuse detoxification and treatment, and criminal justice resources[8]

How Many People Experience Chronic Homelessness?

The most recent available data shows that there are approximately 124,000 chronically homeless individuals in the United States, accounting for about 20 percent of the overall homeless population.[9] There is not enough

data to estimate precisely how many families are chronically homeless, however, evidence suggests approximately 10,000 to 15,000.[10] Despite the severity of the problem, communities across the country have been making progress at reducing homelessness. Between 2005 and 2008, chronic homelessness fell nationally by 28 percent.[11] Some communities have witnessed even steeper declines:

- **Quincy, MA** witnessed a 50 percent reduction in chronic homelessness between 2005 and 2009.[12]
- Chronic homelessness in **Norfolk, VA** fell by almost 40 percent between 2006 and 2008.[13]
- There was a 36 percent decline in chronic homelessness in **Denver, CO** between 2005 and 2007.[14]
- **Portland, OR** found that the number of chronically homelessness people sleeping outside fell 70 percent between 2005 and 2007.[15]
- Chronic homelessness in **Portland, ME** declined by 49 percent between 2004 and 2007.[16]
- **Wichita, KS** reduced chronic homelessness 61 percent between 2005 and 2009.[17]

How Have Communities Decreased Chronic Homelessness?

Reductions in chronic homelessness are largely the result of coordinated and focused efforts by communities to provide permanent supportive housing for chronically homeless individuals. Beginning in 2002, communities began developing and implementing Ten Year Plans to End Homelessness, which generally included strategies for addressing chronic homelessness (see sidebar). To date, more than 270 communities have completed Ten Year Plans. Much of this activity is a response to federal incentives to focus attention and resources on chronic homelessness. Communities are also making progress preventing chronic homelessness by intervening when homeless people are in hospitals, correctional facilities, or in other institutional care facilities.

Permanent Supportive Housing. The most successful intervention for ending chronic homelessness is permanent supportive housing, which couples permanent housing with supportive services that target the specific needs of an individual or family. Housing is most often provided in the form of a rental subsidy, such as a Section 8 Housing Choice Voucher or a subsidy through the McKinney-Vento Homeless Assistance program. Permanent supportive housing units can be located in a single building ("single site") or be scattered across a number of locations ("scattered-site"). The most effective approach to permanent supportive housing is Housing First, meaning that tenants are placed into housing before attempting to resolve their services needs, rather than after.

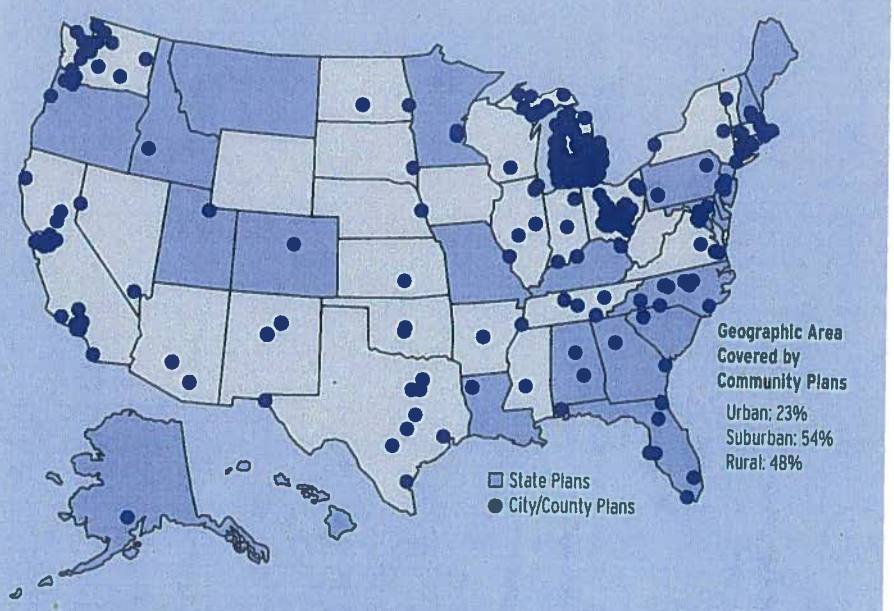
Because of their high level of mental health, substance abuse, and physical needs, chronically homeless individuals and families generally need ongoing supportive services. Services provided through permanent supportive housing can include health care, substance abuse treatment, mental health treatment, employment counseling, connections with mainstream benefits like Medicaid, and countless others.

Research has shown that coupling these services with permanent housing is highly effective at maintaining housing stability, but also helps improve health outcomes and decreases the use of publicly-funded institutions (see sidebars). Below is a sample of research findings on the effects of permanent supportive housing:

- A study of homeless people in New York City with serious mental illness found that providing permanent supportive housing to the individuals directly resulted in a 60 percent decrease in emergency shelter use for clients, as well as decreases in the use of public medical and mental health services and city jails and state prisons.[18]
- A 2009 Seattle study found that moving chronic inebriates into permanent supportive housing resulted in an approximately 33 percent decline in alcohol use for clients.[19]
- Research on the overall costs to the taxpayer of permanent supportive housing has consistently found the costs to the taxpayers to be about the same or lower than having a chronically homeless individual sleep in an emergency shelter (see sidebar).

Ten Year Plans

More than 270 communities are implementing Ten Year Plans to End Homelessness, and most focus on ending chronic homelessness.



Source: National Alliance to End Homelessness, "A Shifting Focus: What's New in Community Plans to End Homelessness," 2009, http://www.endhomelessness.org/content/article/detail/2502.

Prevention. Another way that communities have reduced chronic homelessness is through prevention. Because so many chronically homeless people cycle in and out of jails, prisons, hospitals, psychiatric facilities, and treatment programs, some of the individuals most vulnerable to becoming chronically homeless can be identified in advance. For example, in Quincy, MA, of all clients going to homeless service providers, 49 percent had previous involvement with the Department of Mental Health and 22 percent had been involved with social services previously. Using this information, Quincy changed the discharge policies in its systems of care, which contributed to a 50 percent reduction in chronic homelessness between 2005 and 2009.[20] These systems should also address the housing needs of their clients more generally, ensuring that, for example, people receiving outpatient mental health services are screened for housing stability and provided with housing assistance if appropriate.

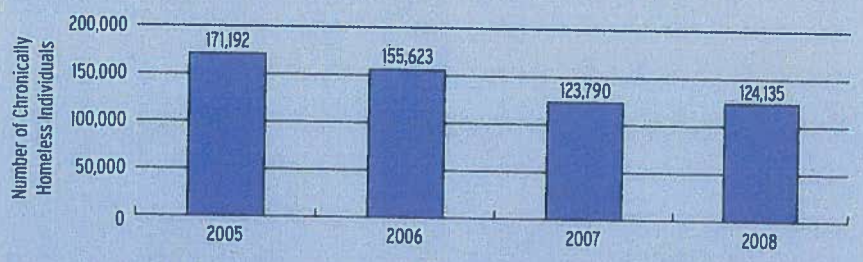
Targeting. Permanent supportive housing and prevention have proven most effective in the places where they have been targeted to people with the most extensive service needs. For example, Seattle, WA's 1811 Eastlake Apartments provide housing to homeless people with the most extensive health problems. As a result, the program saves nearly $30,000 per tenant per year in publicly funded services, all while achieving better housing and health outcomes.[21]

Among families with children, the most promising targeting strategies focus on families who are repeatedly homeless. About 75 percent of families that enter shelter are able to quickly exit with little or no assistance and never return. Another about 20 percent of families have longer stays in shelter but are able to access and remain in permanent housing.[22] The remaining families are repeatedly homeless and should be prioritized for permanent supportive housing.

What Can Congress and the Administration Do to Help?

Despite the successes of the past several years and how much we know about what does work—permanent supportive housing, prevention, and targeting—challenges to ending chronic homelessness remain. Most importantly, more permanent supportive housing is needed. Improving targeting and prevention in federal programs is also necessary.

Changes in Chronic Homelessness over Time



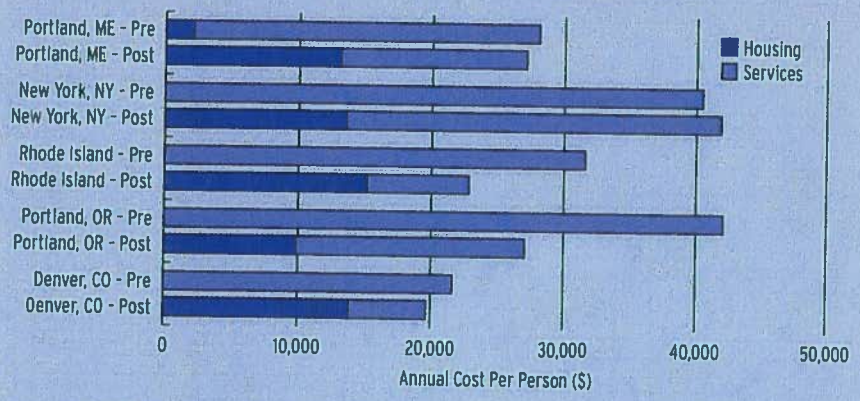
Source: U.S. Department of Housing and Urban Development, "The Annual Homeless Assessment Report to Congress," 2005-2008.

In the early 2000s, the bipartisan Millennial Housing Commission and the President's New Freedom Commission on Mental Health estimated that approximately 150,000 new units of permanent supportive housing were needed to end chronic homelessness. Since then, approximately 60,000 units have been created through HUD's McKinney-Vento Homeless Assistance Grants, leaving another 90,000 still to be created. Several federal policies are needed to help create these units.

- **Increase funding for HUD's homeless assistance programs:** The most successful resource for creating permanent supportive housing has been HUD's McKinney-Vento Homeless Assistance programs, creating 5,000–10,000 units per year.
- **Coordinate housing and services:** One of the biggest challenges to creating more permanent supportive housing is the lack of coordination between federal housing and services programs. Typically providers must cobble together funding from dozens of federal and local sources, none of which are designed to work in an integrated fashion. The federal government should streamline and coordinate existing programs to facilitate the development of permanent supportive housing.
- **Lower barriers to subsidized housing programs:** Currently, barriers such as unit inspection and documentation

Cost Before and After Permanent Supportive Housing Placement

The chart below, which is based on results from several studies, illustrates that the cost of permanent supportive housing is offset in most instances by reductions in services costs, including shelter, ambulance, police/jail, health care, emergency room, behavior health, and other costs.



Source: National Alliance to End Homelessness. "Cost Savings with Permanent Supportive Housing," 2010, http://www.endhomelessness.org/content/article/detail/2666.

Impact on Health Outcomes

Studies show that in addition to reducing chronic homelessness, permanent supportive housing improves health outcomes. The following is an excerpt from a recent study of the impact of permanent supportive housing on homeless, HIV-positive individuals:

"In this randomized trial, we found that housing homeless HIV-positive individuals and providing them with intensive case management can increase the proportion surviving with intact immunity and decrease overall viral loads. The 63% relative increase and 21% absolute increase in survival with intact immunity is clinically meaningful. For every 5 patients offered this intervention and for every 3.25 patients provided housing in a program agency, 1 additional patient will be alive with intact immunity."

Buchanan D, Kee R, Sadowski LS, Garcia D, "The Health Impact of Supportive Housing for HIV-Positive Homeless Patients: A Randomized Controlled Trial," *American Journal of Public Health*, 99 (2009): 675-680.

requirements, as well as locally-imposed restrictions, make it difficult for people experiencing chronic homelessness to enter HUD subsidized housing. Congress and HUD should reduce these barriers for homeless people.

- **Improve Medicaid:** Most people experiencing chronic homelessness eventually qualify for Medicaid, but the process for determining eligibility can take several months or even years, and the services that can be reimbursed by Medicaid are limited. States should be given authority to create cost effective services coordinated with permanent supportive housing for people experiencing chronic homelessness.
- **Create simple renewable SAMHSA funding for services in permanent supportive housing:** People experiencing chronic homelessness typically have co-occurring mental health and substance use disorders. The Substance Abuse and Mental Health Services Administration (SAMHSA) has several small programs that address these needs, however they are temporary and small. SAMHSA should be a major source of renewable funding for services in supportive housing.
- **Improve services for veterans:** A large share of people who experience chronic homelessness are veterans. Congress should continue to provide funding for HUD-VASH, a successful housing and services partnership between HUD and VA. It should also give VA more responsibility for addressing the housing needs of veterans.

An estimated 120,000 people currently experience chronic homelessness, living in shelters, on the streets, and in other places not meant for human habitation. Luckily, years of research and practice have shown us what works to prevent and end homelessness for this group of people. Across the country, communities have begun to not only reduce chronic homelessness by using these interventions, but also to save money in the process. With increased resources from Congress for supportive housing, we truly can end the tragedy of chronic homelessness in the United States once and for all.

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[5] Martha R. Burt, "U.S. Approaches to Ending Long-Term Homelessness for People With Disabilities" (paper presented at Constructing Understandings of Homeless Populations conference, Brussels, Belgium, November 3-4, 2005).

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[7] U.S. Department of Health and Human Services. *Ending Chronic Homelessness: Strategies for Action.* Washington: Government Printing Office, 2003.

[8] National Alliance to End Homelessness, "Supportive Housing is Cost Effective," 2007, http://www.endhomelessness.org/content/article/detail/1200.

[9] U.S. Department of Housing and Urban Development, "The 2008 Annual Homeless Assessment Report to Congress," 2009.

[10] Dennis P. Culhane et al., "Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and Program Planning," *Housing Policy Debate* 18 (2007): 1-28.

[11] U.S. Department of Housing and Urban Development, "The Annual Homeless Assessment Report to Congress," 2005-2008.

[12] National Alliance to End Homelessness, "Community Snapshot: Quincy, MA," 2009, http://www.endhomelessness.org/content/article/detail/2522/.

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[14] National Alliance to End Homelessness, "Community Snapshot: Denver," 2007, http://www.endhomelessness.org/content/article/detail/1769/.

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[16] "Portland, Maine Announces Third Annual Decrease in Chronic Homelessness and Releases New Cost Data," 2007, http://www.ich.gov/slocal/coststudies/Portland-Maine_092707.pdf.

[17] National Alliance to End Homelessness, "Community Snapshot: Wichita, KS," 2009, http://www.endhomelessness.org/content/article/detail/2601.

[18] Dennis Culhane, Stephen Metraux, and Trevor Hadley, "The New York / New York Agreement Cost Study: The Impact of Supportive Housing on Homeless Mentally Ill Individuals," *Center for Mental Health Policy and Services Research, University of Pennsylvania*, 2001, http://www.csh.org/html/NYNYSummary.pdf.

[19] Mary E. Larimer, et al., "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems," *The Journal of the American Medical Association* 301 (2009):1349-57.

[20] http://www.endhomelessness.org/content/article/detail/2522/.

[21] Larimer, 1349-57.

[22] Culhane, 1-28.

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