



# POLICY BRIEF

February 17, 2022

## Fiscal Mapping of Government-Funded Homeless Services

### Highlights

Government funding plays a critical role in the ongoing maintenance of core homeless services statewide.

#### Key Findings

- Over \$91M in annual government funding for homeless services is reflected in this fiscal mapping project.
- Permanent Supportive Housing and Emergency Shelters represent the largest annual funding allocations statewide and at the county levels.
- Some government funding sources may be restricted to serving specific homeless subpopulations or supporting specific services.

#### Recommendations

- Sustained funding, including adjustments for inflation and increased operating expenses, is critical to ensuring long-term maintenance of homeless services.
- Adjustments must be made at the strategic planning level to account for differences in payment methodologies, areas of focus, and funding requirements among government funders.
- Funding streams should reflect the complex social, medical, behavioral, and economic needs of people experiencing homelessness.

### Purpose of Fiscal Mapping

Hawaii has made considerable progress toward ending homelessness over the past several years.<sup>i</sup> However, the ongoing impacts of the global COVID-19 pandemic present significant challenges to governments and service providers. Many homeless services rely on government funding for full or partial funding, reinforcing the significance of government funding streams on the continued stability of homeless services. It is especially important for all funders, stakeholders, and advocates to understand government investment in homeless programs and services.

The purpose of this fiscal mapping project is to provide a general overview of government funding for homeless services. This framework will be used to better identify trends, gaps, and impacts of existing homeless services, as well as to improve funder coordination and reduce duplication of services.

### Funding for Homeless Services

Government funding for statewide homeless services is provided at the federal, state, and county levels. Federal funding for homeless services is primarily provided through the U.S. Department of Housing and Urban Development (HUD) and may also include funding from the U.S. Department of Health and Human Services (HHS) and other federal agencies.

The State of Hawaii Department of Human Services (DHS) is the primary state agency responsible for administering

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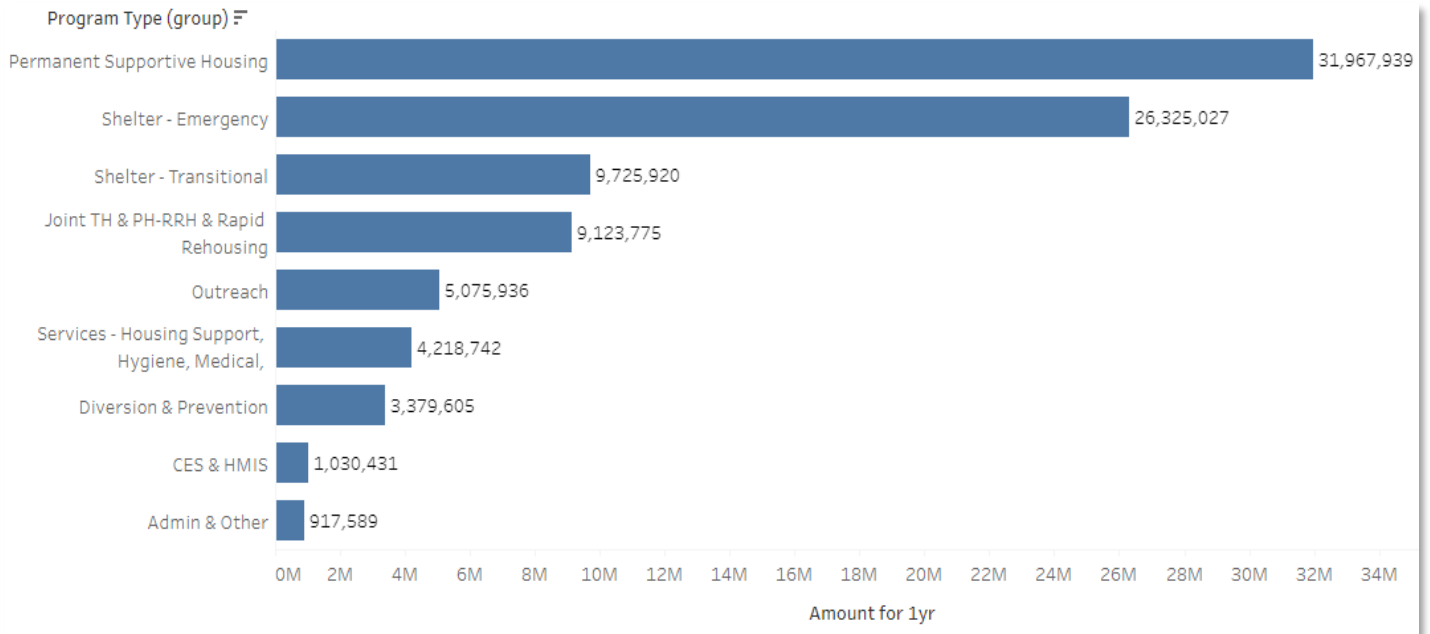


Figure 1 – Government Funding for Statewide Homeless Services by Program Type

homeless programs with State General Funds. Additional funding for special populations is available through other departments, including the Department of Health (DOH) and the Department of the Attorney General (AG). County governments typically administer funding for homeless services in their respective housing departments. Both the State of Hawaii and the four major counties also administer federal funds as pass-through agencies.

“Homeless services” are defined as programs or facilities that exclusively serve people experiencing homelessness, including people fleeing domestic violence without any other housing options. Programs that directly prevent at-risk individuals from becoming homeless, such as homelessness prevention and diversion programs, are also included.

**Funding by Program Type**

Approximately \$91M in annual government funding for homeless services is reflected in this fiscal mapping project. Figure 1 illustrates the current government funding allocation for homeless services based on program type.<sup>ii</sup>

The largest annual investment for homeless services is in **Permanent Supportive Housing (PSH)**, at nearly \$32M per year. The costs of PSH typically include both rental subsidies and wraparound services for participants. PSH includes a variety of site-based and scattered-site, or tenant-based voucher, programs for people experiencing homelessness. Many PSH programs are reserved for people experiencing chronic homelessness,<sup>iii</sup> which includes the diagnosis of one or more long-term disabling conditions. Referrals are generally processed through the respective continua of care’s

Coordinated Entry System (CES). Placements are intended to be long-term, and participants in PSH programs are no longer considered to be “homeless” upon their enrollment.

The second largest annual investment for homeless services is in **Emergency Shelters**, at \$26.3M per year. The costs of emergency shelters may include staffing, facility and infrastructure costs, guest services, and more. Emergency shelters do not require a CES referral, though shelters maintain individual screening criteria. Emergency shelter programs provide an immediate place for unsheltered individuals to stay with very few entry requirements. Placements are intended to be short-term as participants work toward longer-term housing options. Participants in emergency shelters are considered “homeless.”

Medium-term housing programs make up the third largest annual investment for homeless services. **Transitional Shelters** (\$9.7M) are medium-term housing programs for households who do not need long-term assistance. Participation in these programs can range from several months to approximately two years, after which participants transition off of the program. Participants in transitional shelters are considered “homeless.” **Rapid Rehousing (RRH)** programs and **Joint Transitional Housing & Permanent Housing-Rapid Rehousing (Joint TH & PH-RRH)** (\$9.1M) programs offer medium-term assistance for households, usually in a scattered-site setting. Participants build the skills necessary to maintain housing on their own. Participants are considered “housed” upon enrollment in RRH or Joint TH & PH-RRH programs.

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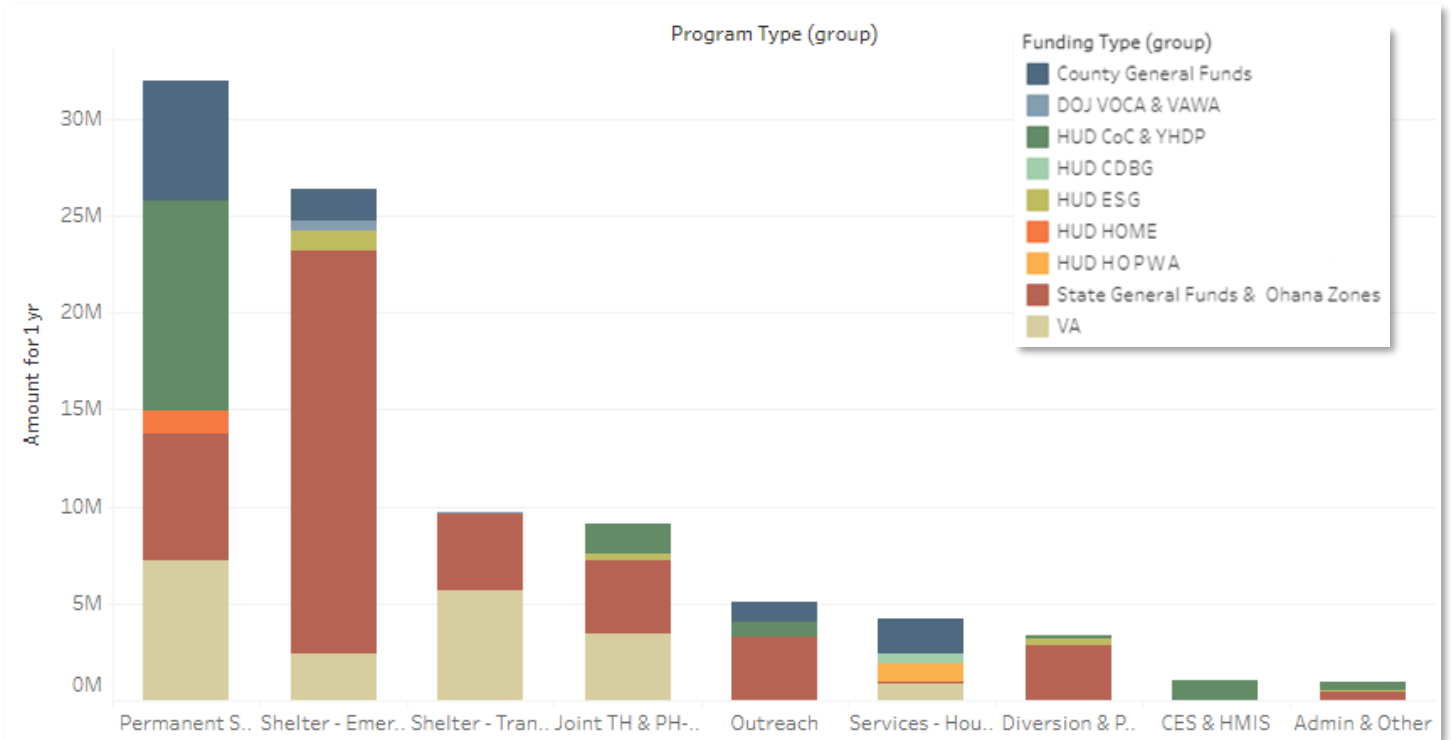


Figure 2 - Annual Homeless Services Funding by Funding Source and Program Type

Other important government-funded homeless services include **Street Outreach** (\$5M), wraparound **Services** (\$4.2M), **Diversion & Prevention** (\$3.4M), and **Coordinated Entry System (CES) & Homelessness Management Information System (HMIS)** (\$1M).

**Funding by Government Source**

State funding represents the largest allocation of government funding for statewide homeless services. State funding is represented across nearly every program category, with the exception of Coordinated Entry System (CES) and Homelessness Management Information System (HMIS) services. A majority of State funds, including funds from the Ohana Zone pilot project, are invested in Emergency Shelters.

Federal funding through HUD’s Continuum of Care (CoC) represents the second-largest allocation of government funding across the state. Federal priorities govern the allowable program categories for CoC funding nationwide. In recent years, Hawaii’s two continua of care have prioritized a combination of Permanent Supportive Housing (PSH), Joint Transitional Housing & Rapid Rehousing/Permanent Supportive Housing (Joint TH & PH-RRH), Coordinated Entry System (CES), and Homelessness Management Information System (HMIS). As of the FY 2021 funding cycle, the HUD CoC program does not consider funding applications for programs classified as Emergency Shelters, Transitional Shelters, Prevention or Diversion, or Street Outreach.

In 2019, the Oahu Continuum of Care was awarded bonus funding from HUD for the Youth Homelessness Demonstration Project (YHDP). This funding will be integrated with CoC funding in the upcoming fiscal year. A variety of YHDP programs were funded during the initial pilot period.

HUD’s Emergency Solutions Grant (ESG) funds are allocated to Emergency Shelter, Rapid Rehousing (RRH), Homelessness Prevention, Street Outreach, and HMIS in accordance with federal guidelines. ESG funds are disbursed by the City & County of Honolulu for Oahu and the Department of Human Services for the neighbor islands.

The Department of Veterans Affairs (VA) funds a variety of Emergency Housing programs for veterans, along with Supportive Services for Veteran Families (SSVF) and HUD-VASH Permanent Supportive Housing. Recently, eligibility for HUD-VASH has been expanded to include some veterans who were previously ineligible for VA benefits due to discharge status.

Other federal funding sources, such as the Department of Justice’s Victims of Crime Act (VOCA) and Violence Against Women Act (VAWA) and HUD’s HOME Investment Partnerships Program (HOME) and Community Development Block Grants (CDBG), contribute to homeless services on a smaller scale.

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County funds represent a smaller allocation of local government funding, with most county-level investment coming from the City & County of Honolulu.<sup>iv</sup> Counties may also match federal funds, such as HUD ESG funds, as required.

**Funding by Geographic Region**

At the program level, funding allocations across the four major counties share several similarities. Permanent Supportive Housing and Emergency Shelters make up the largest government funding allocations in all four major counties. The level of government funding in each geographic region is largely reflective of estimated need and capacity.

	Honolulu	Hawaii	Maui	Kauai
<b>PSH</b>	\$18,536,053	\$2,241,209	\$2,212,191	\$1,765,944
<b>Shelter – Emergency</b>	\$16,868,479	\$5,008,391	\$3,547,770	\$780,388
<b>Shelter - Transitional</b>	\$9,043,207	\$252,252	\$90,000	\$340,461
<b>RRH &amp; Joint TH &amp; PH-RRH</b>	\$4,126,512	\$982,504	\$700,000	\$410,314
<b>Street Outreach</b>	\$3,495,936	\$881,000	\$561,000	\$138,000
<b>Diversion &amp; Prevention</b>	\$1,876,448	\$528,310	\$485,000	\$139,847
<b>Services</b>	\$3,259,560	N/A	N/A	\$541,622
<b>CES &amp; HMIS<sup>v</sup></b>	\$853,147	\$54,094	\$54,094	\$54,094

Figure 3 – Government Funding for Homeless Services by Program Type and Geographic Region

**Policy Recommendations**

Government funders continue to invest in both permanent housing solutions and immediate, accessible options for people experiencing homelessness. Recently, these investments have begun to expand to non-traditional forms of permanent housing and emergency shelters, including the use of tiny homes, modular housing, and mobile shelter facilities.<sup>vi</sup>

At all levels of government, funding is often only available on a year-to-year basis. While there are some exceptions, the transitional nature of many important funding streams often complicates strategic planning for funders, providers, and other stakeholders. People being served are most impacted when funding for any service is reduced or discontinued, often resulting in destabilization and further distrust of the homeless service system.

As the numbers of individuals placed into permanent housing programs increases, future funding allocations must consider both the amount of funding necessary to maintain support for the individuals currently enrolled in the program, in addition to expanding existing program capacity to serve additional individuals. Funding for homeless services often does not increase to keep pace with rising facility infrastructure costs, market rate unit rents, and administrative expenses.

At this time, government funding for homeless services is largely based on fixed contract amounts. As homeless services continue to intersect with other fields, especially health care, additional consideration of payment and reimbursement methods will be critical to ensuring efficiency and maximizing available resources.

Finally, all stakeholders must recognize the limitations of analyzing funding data for homeless services. The amount of government funding for specific services should not be interpreted as an indicator of a service’s effectiveness, importance, or impact on the system. It is also important to recognize the intricate overlay of other funding streams, including private funding and revenues generated (i.e. rents paid to a provider by tenants), and ensure that braided funding is complementary rather than duplicative.

The Hawaii interagency Council on Homelessness (HICH) will continue to review and update the fiscal map. The HICH will utilize the revised fiscal map and information regarding contract payment structures to recommend priority areas for funding to the Continuum of Care and the counties administering direct federal funding for homeless programs. For more information, please visit <https://homelessness.hawaii.gov/data> or e-mail [gov.homelessness@hawaii.gov](mailto:gov.homelessness@hawaii.gov).

**Notes**

<sup>i</sup> For more information on homelessness data over time, including placements into permanent housing and increasing permanent housing inventory, visit <http://homelessness.hawaii.gov>.  
<sup>ii</sup> Some sources of government funding were not available at the time of this report, and will be included in future updates. Any contract amounts for periods of longer than one calendar year have been adjusted to reflect the amount funded for one year.  
<sup>iii</sup> “Chronically homeless” is defined by HUD in 24 CFR 578.3.

<sup>iv</sup> County funding for the counties of Maui and Hawaii was not available at the time of this report.  
<sup>v</sup> The balance of state Continuum of Care for the neighbor islands shares a single HMIS and CES. For the purposes of this report, the expenses are divided evenly among the three counties.  
<sup>vi</sup> Examples include Ohana Zone projects such as Kamaoiku Kauhale, Kealaula on Pua Loke, and Homeless Outreach and Navigation to the Unsheltered (HONU). See <http://homelessness.hawaii.gov/ohana-zones> for more information.