

# Hawai'i Community Stabilization Initiative FINAL REPORT (2009-2012)

**Funders:**

American Savings Bank

Anonymous Donor

Atherton Family Foundation

Cooke Foundation

First Hawaiian Bank

Harold K.L. Castle Foundation

Hawai'i Community Foundation

Kosasa Family Fund

McInerney Foundation

Omidyar 'Ohana Fund

Seto Foundation

Stupski Family Fund

# Three-year Review (2009-2012)

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# Executive Summary

## Background

Hawai'i was hit hard by the prolonged recession. In 2009, tourism was plummeting and state revenues were down. Jobs were scarce, family incomes were dropping, and demand for public benefits was increasing at record rates. At the time, our state ranked 15<sup>th</sup> in the nation in foreclosure rates and personal bankruptcies were at a four-year high. Against this bleak picture, federal funds that were available from the American Recovery and Reinvestment Act (ARRA) were available but not being accessed by government and nonprofit agencies in Hawai'i.

Mobilized by a sense of urgency and a deep compassion for the suffering of hardworking families in our community, the Hawai'i Community Foundation (HCF) reached out to possible funders to form a new model of philanthropic collaboration. The Hawai'i Community Stabilization Initiative (HCSI) was born out of a shared desire to give a promising future to families in need.

*"A crisis is a good time to work together. HCSI is an example of the power of partnership."*

Mike Mohr, Omidyar 'Ohana Fund

## Overview of the Hawai'i Community Stabilization Initiative

HCSI was a three-year collaborative effort of 12 funders seeking to stabilize communities in Hawai'i following the onset of the recession. HCSI distributed \$4.2 million to 30 nonprofit and government organizations throughout the state of Hawai'i between 2009 and 2012, with the majority of funds directed to provide immediate support for families and individuals impacted by the poor economy. While the primary focus of HCSI was on providing for immediate needs, grants were also given to support the longer-term stability of families and individuals through loans and asset-building approaches. In this way, the groundwork was laid for longer-term program and policy changes. HCSI completed its third and final year of grantmaking on December 31, 2012.

## Collaborative Funding Approach

By pooling resources, the collaborative enabled funders to achieve far more than any single funder could achieve alone. It also streamlined access to funding for nonprofit organizations seeking financial support. The HCSI funders collaborative included American Savings Bank, the Atherton Family Foundation, the Cooke Foundation, the First Hawaiian Bank, Harold K.L. Castle Foundation, the Hawai'i Community Foundation, the Kosasa Family Fund, the McInerney Foundation, the Omidyar 'Ohana Fund, the Seto Foundation, the Stupski Family Fund, and an anonymous funder. HCF was responsible for bringing together members of the funders collaborative, developing the initiative's overall strategic approach, and facilitating periodic meetings with funders.

*"We believe that no one can do it alone. Giving when done together can create a greater impact."*

Kelvin Taketa, Hawai'i Community Foundation

### Three Guiding Principles

It was important to the 12 funders to provide both immediate and long-term support to struggling communities across the islands and to streamline access to funds. HCSI had the agility to get grants out immediately so that nonprofits could respond to urgent needs and HCF had the ability to work with government agencies to leverage underutilized resources.

Three principles guided the overall development and direction of the initiative:

- (1) Stabilize families and individuals impacted by the recession;
- (2) Support nonprofit organizations to expand direct services to meet increasing demand; and
- (3) Leverage underutilized public resources through grant dollars.

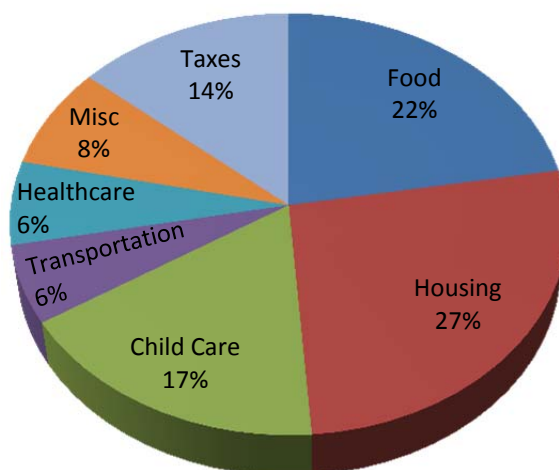
### Three Focus Areas

HCSI approached local agencies and nonprofits that were working on the front lines to zero in on where the need was greatest and where the opportunities to help would yield the largest impact. Three focus areas were identified:

- *Immediate Support* to help families and individuals access benefits and achieve financial stability (e.g. food assistance, emergency housing, tax assistance, credit repair and foreclosure prevention);
- *Building the Future* to support longer-term stability of families and individuals through loan programs and asset building approaches; and
- *Infrastructure* to promote awareness of HCSI and lay the foundation for programs, policy changes, and activities to help families remain financially resilient.

### Specific Focus on Immediate Support

The pie chart represents the basic needs of a typical household of four in Hawai'i. The majority (86%) of HCSI funds were directed to *Immediate Support* that met basic needs, such as food, housing, taxes, and healthcare. These areas were selected, in part, because there were opportunities in each to leverage additional federal and state resources.



## **Direct Impact for Local Families**

HCSI grants resulted in direct support for over 33,000 families and individuals who received credit counseling, help with foreclosure prevention, emergency housing assistance, support in accessing the Supplemental Nutrition Assistance Program (SNAP, i.e. “food stamps”), assistance in claiming the Earned Income Tax Credit (EITC), help with applying for Medicaid health insurance benefits, and low-interest loans for transportation. For many, the support from HCSI meant the difference between eviction and having a roof over their heads, or the difference between putting food on the table and going without.

*“Don’t let pride get in the way of asking for help. SNAP benefits lifted a burden from my shoulders and I thank the funders for that. Food is about more than eating; it’s about relationships and love as you sit and talk story with your family.”*

Colleen Cidade, single working parent and SNAP recipient

## **Grants Leveraged Over \$23 Million for the Community**

HCSI grants enabled a substantial amount of previously untapped public dollars to be spent on assisting people in Hawai‘i. The funds from HCSI were used either as a “match” for federal grants or were used to improve the capacity of nonprofit organizations to increase access to benefits. The greatest dollar leverage was achieved for SNAP (with \$10.75 million) and EITC (with \$8.35 million), which was drawn down between 2009 and 2012.

*“The recession knocked the stuffing out of the middle class. Without HCSI funding, we would have had to close offices; with the funding, we were able to help restore stability to 7,500 families in Hawai‘i.”*

Wendy Burkholder, Consumer Credit Counseling Service

## **Despite Successes, There Were Challenges**

While HCSI strengthened many nonprofit providers, a handful continued to struggle despite the additional support. It was a challenge for HCSI to fund nonprofit organizations at the right level, where funding would be enough to meet the need, but not too much to grow an organization to an unsustainable level or to a point where HCSI funds would supplant other funding streams. These challenges are also key lessons that the funders collaborative can reflect upon for future initiatives.

## **Networks and Partnerships**

Beyond supporting the basic needs of local families, HCSI fostered strong collaborations among nonprofit providers, which helped to bolster organizational capacity for these organizations. Many of the collaborations that emerged from HCSI have continued even after grants ended. The Ho‘owaiwai Asset Building Network continues to bring dozens of organizations together from across the state to regularly share their work and collaborate on joint projects. The SNAP outreach grantees still participate in the statewide SNAP network. Grantee organizations that provided foreclosure prevention services joined together to apply for new funding to ensure the sustainability of their programs following the end of HCSI.

*“HCSI funding helped us train more volunteers and reach more people with free income tax preparation. Not only that, new funding sources became available because of the successes we were able to show.”*

Vickie Punua-McGinnis, volunteer site coordinator, Volunteer Income Tax Assistance (VITA)

### **Looking Forward**

The Hawai'i Community Stabilization Initiative provided immediate assistance and drew down millions of dollars in public support for Hawai'i when it was needed the most. The initiative also clearly demonstrated the power of partnership, with 12 funders together achieving far more than any single funder could have achieved alone. This pooling of resources enabled funds to be streamlined for use by nonprofit organizations to provide direct support to all of the community. Another important outcome of the initiative was the formation of nonprofit partnerships and networks that continue beyond the duration of HSCI. Looking forward, HCSI has laid the groundwork for new, more effective models of human service delivery to improve long-term outcomes for Hawai'i. Launching in 2013, HCF's newest three-year initiative, Pathways to Resilient Communities, is designed to build on the work and lessons learned from HCSI. Pathways will continue to serve vulnerable individuals and families, but with a focus on prevention and helping to create more responsive, accountable and coordinated public education and human service delivery systems.

## 2009-2012: Grant Distribution Details

Over \$4.2 million in grants were distributed between 2009 and 2012. The majority of grants went to credit counseling and foreclosure prevention (34%) and emergency housing (18%).

Grant Distributions	2009-10	2011	2012	Total
Immediate Support	\$1,174,369	\$1,210,268	\$1,247,000	<b>\$3,631,637</b>
Building the Future	\$58,440	\$10,000	\$25,000	<b>\$93,440</b>
Infrastructure	\$152,873	\$216,750	\$113,850	<b>\$483,473</b>
<b>TOTAL</b>	<b>\$1,385,682</b>	<b>\$1,437,018</b>	<b>\$1,385,850</b>	<b><u>\$4,208,550</u></b>

### Distribution by Focus Area

#### Immediate Support

Credit/Foreclosure	\$ 1,428,750
Emergency Housing	\$ 750,000
SNAP Outreach	\$ 670,937
Tax Return Assistance	\$ 469,950
Healthcare	\$ 312,000

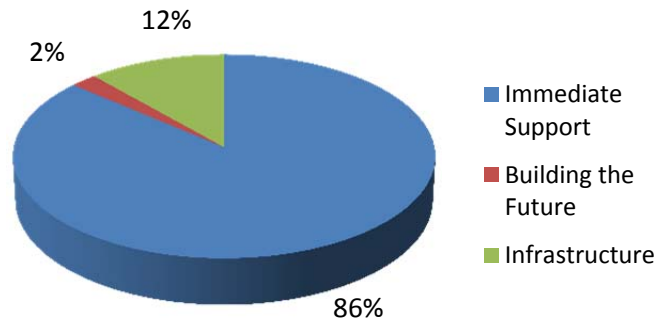
#### Building the Future

Loan Programs	\$ 50,000
Asset Building	\$ 43,440

#### Infrastructure

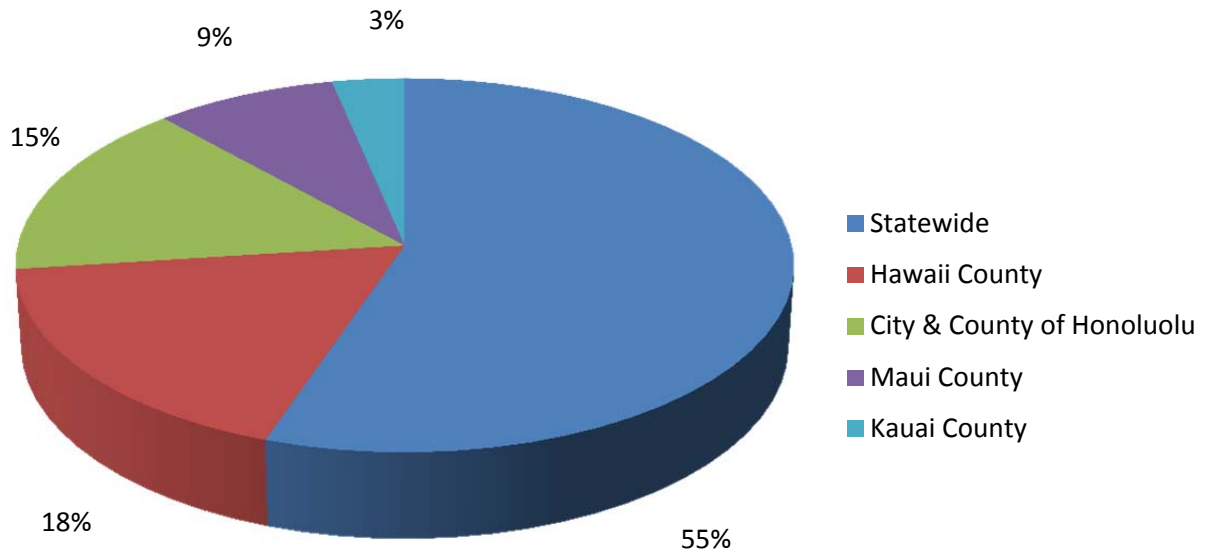
Network Building	\$ 108,250
Public Awareness	\$ 207,373
Policy	\$ 144,000
Other Infrastructure	\$ 23,850

**TOTAL \$ 4,208,550**



## Distribution by Geography

Statewide	\$ 2,325,113
Hawai'i County	\$ 746,812
City & County of Honolulu	\$ 643,426
Maui County	\$ 352,895
Kaua'i County	\$ 140,304
<b>TOTAL</b>	<b>\$ 4,208,550</b>





## FOCUS AREA: Immediate Support

### Credit Counseling & Foreclosure Prevention

**RATIONALE:** Managing through a financial crisis can present daunting challenges for low-income families. Before the recession, many families and individuals had never before needed assistance from government programs and struggled with navigating often confusing eligibility requirements. Unfortunately, the recession also spawned new credit and mortgage scams that targeted already vulnerable families and individuals.

**GOAL:** Help families avoid financial crises like bankruptcy and foreclosure and build good credit, financial habits, and a promising economic future.

**STRATEGY:** Fund reputable, certified organizations that provide financial stabilizing services ranging from credit repair to foreclosure mitigation to bankruptcy prevention. Approximately one-third of Hawaii Community Stabilization Initiative (HCSI) funds were deployed to support work in this area through grantees: Consumer Credit Counseling Services of Hawai'i, Hawai'i Homeownership Center, and Legal Aid Services of Hawai'i.

**LEVERAGE:** \$1.4 million in grants was provided for credit counseling and foreclosure prevention services. This equates to an average cost of \$165 in direct services per family. The total cost of services provided is actually greater for each family given that each organization has other funding sources.

**RESULTS:** Grantees helped more than 8,600 individuals and families with direct services, enabling them to avoid or climb out of financial crisis. An additional 8,900 participated in workshops that provided education on healthy financial habits. While people in Hawai'i still struggle with foreclosure and credit issues, HCSI helped to strengthen coordination between the three grantees. These providers, and two other nonprofits, recently partnered to apply for a \$3 million, three-year grant to continue their foreclosure prevention efforts statewide.

### Emergency Housing

**RATIONALE:** In Hawai'i, the largest living expense is typically for housing. For people that have experienced job loss or other hardships, it can be easy to fall behind on rent and difficult to recover. The American Recovery & Reinvestment Act (ARRA) allocated \$6.1 million in funds for Hawai'i to implement the Homelessness Prevention and Rapid Re-housing Program to help people maintain stable housing. ARRA funds were time-sensitive and needed to be distributed and spent by late 2011.

**GOAL:** Expedite distribution of ARRA as well as Temporary Assistance for Needy Families funds and other sources of rental assistance to families and individuals in need.

**STRATEGY:** Fund organizations' outreach to and intake of families and individuals in need, and support staff responsible for distributing funding. HCSI supported five organizations to provide emergency housing assistance: Catholic Charities, Family Life Center, Helping Hands Hawai'i, Institute for Human Services, and HOPE Services Hawai'i.

**LEVERAGE:** \$750,000 in grants resulted in nearly \$4.1 million of housing assistance distributed.

**RESULTS:** Grantees helped over 3,400 families and individuals access an average of \$1,205 per household for back rent, security deposits, or first/last month rent payments. Between 2010 and the first half of 2011, the number of approvals for emergency housing increased steadily as organizations worked to expend ARRA funds before the deadline. In the second half of 2011, approvals declined sharply as most organizations had exhausted their ARRA funds. In 2012, HCSI funds were used to leverage other non-ARRA funding sources for emergency housing support (i.e. county, state, and other federal funds).

## SNAP Outreach

**RATIONALE:** In 2009, the *Honolulu Star-Advertiser* estimated Hawai'i left approximately \$17 million in Supplemental Nutrition Assistance Program (SNAP) benefits unclaimed. Even though many people are qualified for SNAP, many do not apply because of the stigma associated with "food stamps" and a lack of understanding of eligibility requirements.

**GOAL:** Increase the number of households receiving SNAP assistance and capture unclaimed federal dollars for Hawai'i residents.

**STRATEGY:** Provide up to one-to-one matching dollars to fund outreach at nonprofit organizations that have contracts with the Department of Human Services (DHS) to assist people in completing SNAP applications. HCSI funded four organizations to conduct SNAP outreach: Helping Hands Hawai'i, HOPE Services Hawai'i, The Salvation Army, and Kaua'i Independent Food Bank. These four organizations also received federal match funding through DHS and were required to participate in a statewide network to adopt common metrics for reporting.

**LEVERAGE:** Total grants of \$670,936 helped to parlay \$10.74 million in federal dollars between 2010 and 2012. The leverage for this program is almost fully attributed to HCSI funding. Before HCSI funding, none of the grantee organizations participated in the outreach program.

**RESULTS:** In HCSI's three years, the outreach organizations collectively helped over 3,400 households complete paperwork and gather documents, resulting in an average annual benefit of \$3,166. The USDA estimates that every dollar awarded for SNAP generates an estimated \$1.84 in economic activity through increased spending. The estimated economic benefit for Hawai'i over the three years of HCSI involvement was \$19.7 million. SNAP providers formed a statewide network where providers in each county could share information on a monthly basis. The statewide network has continued to meet and both Helping Hands Hawai'i and HOPE Services Hawai'i were able to obtain continued funding from DHS.

## Volunteer Income Tax Assistance

**RATIONALE:** Enacted in 1975, the Earned Income Tax Credit (EITC) is one of the largest anti-poverty programs in the United States. It provides critical, refundable subsidies to offset tax burdens for working families. The ARRA expanded the credit to cover married couples and families with three or more children. However, the IRS estimates that \$45 million in EITC funds is left unclaimed each year.

**GOAL:** Enable double-digit increases in the number of returns prepared and in EITC claims filed by free, reputable tax preparation providers.

**STRATEGY:** Fund statewide coordination of Volunteer Income Tax Assistance (VITA) sites that offer free tax preparation services for low-income filers. HCSI funding went to the Hawai'i Alliance for Community-Based Economic Development (HACBED), which has coordinated the VITA program since 2006 and relies on a network of over 200 volunteers statewide.

**LEVERAGE:** \$369,950 in HCSI grants over three years resulted in \$8.35 million in EITC and Child Tax Credits captured for Hawai'i families.

**RESULTS:** Between 2009 and 2012, the number of returns prepared annually by VITA increased by 68%, growing from 2,610 per year to 4,386 returns per year. VITA saved an estimated \$1.8 million in preparation fees for taxpayers over three years because services were offered at no-cost.

## Healthcare – Electronic Health Records

**RATIONALE:** In 2009, the ARRA established Health Information Technology (HIT) provisions that included dollar incentives for healthcare providers to use Electronic Health Records (EHRs). Healthcare providers who use EHRs are eligible for ARRA incentive dollars, but must meet “meaningful use” measures that are expensive and time-consuming to implement. Hawai'i's community health centers are eligible for an estimated \$6.5 million in ARRA incentives over a six-year period.

**GOAL:** Increase the capacity of community health centers to meet “meaningful use” measures to receive EHR incentives.

**STRATEGY:** Provide grants to community health centers to increase their capacity through technology upgrades and staff training necessary to capture ARRA incentives.

**LEVERAGE:** Over a one-year period, \$240,000 in HCSI funds were used to leverage matching funds of \$250,000 from a donor advised fund at Hawaii Community Foundation (HCF). ARRA incentives are expected to be drawn down once the federal government approves the state's HIT plan.

## Healthcare – Medicaid

**RATIONALE:** Children living in households with incomes under 200% of the federal poverty level are eligible for coverage through the state-sponsored Children’s Health Insurance Program as part of Hawai‘i’s Medicaid program. Parents in this income bracket are often lower-wage workers for whom health insurance premiums are a significant burden. The Hawai‘i Primary Care Association (HPCA) estimates that there are 15,000 children in Hawai‘i who are currently uninsured.

**GOAL:** Increase the number of families in Hawai‘i that receive medical coverage through the state’s Medicaid health insurance program.

**STRATEGY:** Fund Medicaid outreach efforts by HPCA’s Hawai‘i Covering Kids program.

**RESULTS:** HPCA does not complete direct applications for families but refers them to Aloha United Way 2-1-1 or to Medicaid eligibility workers. Although increases in Medicaid enrollment cannot be fully attributed to HCSI funding, DHS reported a net increase of 508 children enrolled in Medicaid health plans for the first six months of 2012.

## FOCUS AREA: Building the Future

### Loan Program

**RATIONALE:** Adequate transportation is critical to hold down a job, and it is a challenge for some families and individuals in Hawai'i to access affordable vehicles at reasonable interest rates.

**GOAL:** Enable low-income families and individuals to access credit and purchase affordable vehicles.

**STRATEGY:** Fund the Pathways to Work program as it transitioned from one nonprofit organization (YWCA) to another (Child & Family Services).

**LEVERAGE:** \$50,000 in grants have leveraged \$186,687 in loans.

**RESULTS:** Over three years, the program assisted 232 families and individuals in obtaining loans that averaged \$806 per person. The program also provided in-depth financial counseling to 81 people to assist them in resolving financial challenges that were barriers to loan approval.

### Asset Building & Network Development

**RATIONALE:** Families without adequate resources to draw on in times of need are "asset poor." This asset poverty may leave them vulnerable to unexpected economic events. Many U.S. households are "asset poor" and have little financial cushion to sustain them in the event of a job loss, illness, or other income shortfall. Policies that support families' ability to build assets, such as increasing access to education or homeownership, strengthen overall financial security in the long-term.

**GOAL:** Enable network-building, policy development and advocacy around long-term financial empowerment and security for Hawai'i families.

**STRATEGY:** Provided an operating grant to support the work of the HACBED in cultivating and growing a network of community-based organizations, service providers, and individuals dedicated to advancing asset building in Hawai'i.

**RESULTS:** The Ho'owaiwai Network has grown from 140 members in 2010 to 331 members in 2012. In June 2012, HACBED hosted a biannual asset building symposium which was attended by 267 individuals from all islands, as well as from the mainland. A website (<http://assetshawaii.org>) was also developed to support the continued work and expansion of the asset building network.

## **FOCUS AREA: Infrastructure**

### **Public Awareness**

**RATIONALE:** The 2-1-1 information line is a well-known, consistent resource for Hawai'i residents who need to access information about a wide range of community services. In late 2009, Aloha United Way was struggling to maintain extended hours when its referral services were needed more than ever.

**GOAL:** Ensure people in need have information and referral sources for reputable services.

**STRATEGY:** Provided an operating grant to support Aloha United Way's 2-1-1 community hotline.

**LEVERAGE:** Grants totaling \$160,142 supported over 121,000 referrals to food pantries, rental assistance, and tax assistance services over three years.

**RESULTS:** Over the last three years, 2-1-1 has fielded more than 59,278 calls from community members in need, with an estimate of two to three referrals being provided per call. The 2-1-1 call data continues to show high demand for HCSI-supported services; food (primarily pantries) and rental assistance were the top two call volume categories. Healthcare/health insurance is always in the top five request categories, and tax assistance is in the top five during the first four months of every year.

### **Policy – Governor's Office on Homelessness**

**RATIONALE:** Homelessness is a longstanding problem that has grown in recent years. Between 2007 and 2011, the number of unsheltered homeless individuals receiving services in Hawai'i increased from 6,777 to 7,804.

**GOAL:** Reduce the number of people living without shelter and move them to permanent homes.

**STRATEGY:** A one-time operating support grant was provided to the Office on Homelessness, a Governor's initiative, which is a statewide coordination of agency and community resources to reduce homelessness.

**RESULTS:** The Office on Homelessness was instrumental in advocating for the passage of Act 105, which in 2012 established in statute the Hawai'i Interagency Council on Homelessness. The Interagency Council has developed a 10-year strategic action plan to prevent and end homelessness in Hawai'i.

## Policy – Hawaii Public Housing Authority

**RATIONALE:** In February 2012, the U.S. Department of Housing & Urban Development (HUD) announced the availability of \$5 million in Choice Neighborhood Initiative planning grants for housing authorities to engage in “grassroots efforts to creatively link affordable housing with quality education, public transportation, good jobs, and safe streets.” The Hawaii Public Housing Authority (HPHA) requested support to obtain a consultant to assist them in submitting a planning grant proposal.

**GOAL:** Enable HPHA to hire a professional consulting firm to assist with the proposal to HUD for a Choice Neighborhood Initiative planning grant.

**STRATEGY:** Provide a grant of \$15,000 to HPHA to retain a consultant.

**LEVERAGE:** The HCSI grant of \$15,000 leveraged a planning grant award of \$300,000 for HPHA.

**RESULTS:** In October 2012, HUD announced that Hawai‘i had been approved for a Choice Neighborhood Initiative planning grant for the Kūhiō Homes and Kūhiō Park Terrace housing projects.

## Other Infrastructure

**RATIONALE:** In 2012, the Corporation for Enterprise Development (CFED) hosted its biannual Assets Learning Conference in Washington, D.C. The conference offers workshops for asset-building policymakers, practitioners, organizations, and funders. However, travel to the conference from Hawai‘i is cost-prohibitive for many nonprofit service providers and government agencies.

**GOAL:** Enable Hawai‘i practitioners in the asset-building field to attend the 2012 Assets Learning Conference.

**STRATEGY:** Provide a grant of \$10,000 to CFED to sponsor seven Hawai‘i practitioners to attend the conference.

**RESULTS:** The seven individuals who received scholarships to attend the 2012 conference represented the following organizations: HACBED, Legal Aid Society of Hawai‘i, HOPE Services Hawai‘i, 3Point Consulting, Hawaiian Community Assets, and the Office of Hawaiian Affairs. Recipients were exposed to national “best practices” relating to financial strengthening activities. Following the conference, recipients established a new collaborative partnership to support the expansion of Children’s Savings Accounts on O‘ahu as well as on Hawai‘i island.