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March 25, 2019

TESTIMONY OF KIPUKAI KUALII
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 1131, SD2, HD1, RELATING TO 'OHANA ZONES
House Committee on Finance
Wednesday, March 27, 2019
2:30 p.m.
Conference Room 308

Dear Chair Luke and Members of the Committee:

Thank you for this opportunity to provide testimony in support of SB 1131, SD2, HD1, Relating to 'Ohana Zones. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

I wholeheartedly support the intent of the *'ohana* zones pilot program as a step toward finding solutions to address the State's affordable housing and homeless issues. Also, allowing potential *'ohana* zones sites on private lands owned by nonprofits under a public-private partnership is advantageous and beneficial for both the state's economy and island residents.

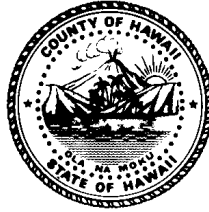
Thank you again for this opportunity to provide testimony in support of SB 1131, SD2, HD1. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

KIPUKAI KUALII
Councilmember, Kaua'i County Council

AMK:aa

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i Office of the Mayor

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March 25, 2019

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Committee on Finance

Dear Chair Luke, Vice Chair Cullen, and Committee Members:

RE: SB 1131, SD2, HD1 Relating to Ohana Zones

Two bills dealing with Ohana Zones are still alive this legislative session. SB 1131, SD2, HD1 is the one before you today. The other is a bill passed by the House earlier, HB 257, HD2.

SB 1131, SD2, HD1 is positive in that it broadens the scope of the Ohana Zones Pilot Program by potentially including "private property owned by non-profit organizations."

But HB 257, HD2 had a broader provision that would allow for partnerships on any private land, which enhances flexibility and, therefore, is most likely to provide an opportunity to expedite the construction of appropriate housing for individuals experiencing homelessness. The Sacred Hearts and Hale Iki emergency housing projects on the Island of Hawai'i are a direct result of two separate government and private sector partnerships that led to the creation of thirty temporary housing solutions for survivors of the recent Kilauea eruptions.

Unless there is strong reason to narrow the scope, I hope you will expand on SB 1131, HD1 by adding the best features of HB 257, HD2. Increased flexibility would be a positive way of implementing the pilot project and maximizing its potential for success.

Respectfully Submitted,

Harry Kim
MAYOR

SB-1131-HD-1

Submitted on: 3/25/2019 6:54:38 PM

Testimony for FIN on 3/27/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Oahu County Democrats	Support	No

Comments:

SB-1131-HD-1

Submitted on: 3/25/2019 8:28:35 PM

Testimony for FIN on 3/27/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Hawaii Kai Homeless Task Force	Support	Yes

Comments:

TO: The House Committee of Finance
FROM: Mike Goodman, Director, The Hawaii Kai Homeless Task Force and Member, Partners In Care Advocacy Committee.
RE: SB1131 SD2 HD1
HEARING: Wednesday, March 27, 2019, 2:30 PM Room 308

Dear Representative Luke, Chair and Representative Cullen, Vice Chair, and all other Members of the Committee on Finance; thank you for the opportunity to provide testimony in strong support of SB1131

Those who object to Ohana Zones are correct when they say safe zones don't work. That's because as a general rule, safe zones are simply places where the homeless can live without fear of being swept. Safe zones don't work because they do nothing to solve the underlying problems of homelessness.

But Ohana Zones were not intended as safe zones. They're supposed to offer wrap around supportive services similar to those provided by Housing First Programs, except the beneficiaries would live in temporary dwellings instead of apartments.

The Housing First program in Hawaii has a 96.7% success rate with hard-core, mentally ill and substance addicted homeless individuals. It works giving by giving beneficiaries a private apartment, whether or not they are sober or whether or not they agree to psychiatric care. Then these and other services are continually offered assertively, but never mandated.

The success of Housing First is based in large part on the therapeutic value engendered by a private and permanent home. Substance abuse treatment, psychiatric care, vocational training and other services, have exponentially better outcomes for clients who are housed in private dwellings, than when those same services are offered in shelters or group homes.

Logically, Housing First practices would work just as well in ultra-low-cost modular housing (such as those used by the First Assembly of God Church in Kaneohe) as they do in \$350,000 brick and mortar apartments. Likewise, Ohana Zones could successfully

implement Housing First practices in temporary modular housing, if and only if, beneficiaries are allowed to remain until they're transitioned to permanent housing. *(On the other hand, if people are evicted when the pilot program ends, the benefits of the program would be lost.)*

At this time, there are no viable plans from any government official or homeless services provider, to build or acquire, a sufficient quantity of brick and mortar housing to serve all the chronic homeless, let alone all the homeless in the State.

As has been the case for a long time, there are only plans to incrementally increase the amount of brick and mortar housing each year. In the meantime, unsheltered homeless have only two choices; shelters or the streets. Shelters are not viable for many homeless people, particularly if they are mentally ill or substance addicted. Consequently many choose the streets.

We must not allow the pursuit of perfection to be the enemy of good; The policy of providing the homeless with nothing but shelters, while incrementally increasing the supply of brick and mortar housing, produced the dystopian cauldron of misery we see today.

Modular dwellings in Ohana Zones have the potential to fulfil the gap between the “gold standard” of brick and mortar housing, and unsheltered homelessness. Moreover, modular homes can be assembled in months, instead of the years required to build traditional housing.

This year, the Legislature may appropriate \$75 million dollars for brick and mortar apartments to house as many as 250 chronic street homeless. Figures recently released from the 2018 Point-In-Time count, shows there are at least 2,400 people living unsheltered in Hawaii. Let's assume the Legislature allocates an additional \$75 million for the next nine years. Let's further assume we only need 2000 housing units because families comprise about one-third of the unsheltered population. It will take at least eight to ten years and six-hundred million dollars to end unsheltered homelessness in Hawaii, and much longer to end the entire homelessness crisis.

That's just not acceptable. We need to get these people off the streets as close to yesterday as possible. We must employ admittedly less-than-perfect solutions that may be temporary, but that can be funded today and end unsheltered homelessness in the next few years.

That same \$75 million dollars could be used to build as many as three-thousand, \$25,000 modular homes in Ohana Zones; Enough to house every unsheltered homeless person in the State. Once everyone is safely off the streets, the construction of brick and mortar permanent supportive housing can continue incrementally. **That's the potential impact of Ohana Zones and why this bill is so important.**

WE SUGGEST THE FOLLOWING AMENDMENTS:

First: The State is spending years locating land for Ohana Zones. It makes no sense to relinquish that land when the Ohana Zones pilot program ends. Residents must be allowed to remain until they're transitioned into permanent housing. The land should also be used to construct permanent supportive housing.

Second: I recommend you change the name "Ohana Zones" to "Ohana Villages", so the concept won't be tarnished by association with safe zones.

Thank you for the opportunity to testify.

SB-1131-HD-1

Submitted on: 3/25/2019 5:32:39 PM

Testimony for FIN on 3/27/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	Yes

Comments:

Aloha Representatives,

The LGBT Caucus of the Democratic Party of Hawaii supports the passage of SB 1131 SD2 HD 1.

Mahalo for your consideration and for the opportunity to testify.

Mahalo,

Michael Golojuch, Jr.

Chair

LGBT Caucus of the Democratic Party of Hawaii

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

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

LATE

March 27, 2019

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 1131 SD2 – RELATING TO OHANA ZONES**

Hearing: March 27, 2019, 2:30 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the this measure, offers comments, and requests clarification and an amendment. DHS agrees with the amendment of Senate Committees on Human Services and Housing extending the time to implement the 'Ohana Zone pilots by amending provisions of Act 209, Session Laws of Hawaii (SLH) 2018. The extension allows more time for the implementation of the pilot programs and time to generate data to evaluate.

DHS agrees with the testimony of the Department of the Attorney General regarding Section 3, paragraph (2).

DHS requests clarification regarding the purpose of the appropriation.

DHS requests an amendment to effectuate the effective date.

PURPOSE: The purpose of this bill is to increase the number of Ohana Zone sites. Includes private property owned by non-profit organizations under a public-private partnership as potential Ohana Zone locations. Requires additional information in the reports to the Legislature. Extends the time to implement the Ohana Zones Pilot Program. Appropriates funds. (SB1131 HD1)

DHS appreciates that the Legislature is trying to find solutions to the shelter needs of homeless residents using Housing First principles. DHS supports solutions that increase permanent housing options.

The state's framework to address homelessness through Housing First principles is based upon the notion of placement in safe and affordable permanent housing as soon as possible. DHS supports investing in permanent housing solutions that are sustainable, safe, healthy, and near to existing transportation, education, health, and economic infrastructure; these are all significant aspects to ending homelessness for individuals and families currently experiencing it.

DHS currently delivers homeless services through the purchase of services provided by community based non-profit organizations statewide. DHS is currently not a brick and mortar agency and does not have expertise or experience with constructing homes, construction financing, community design, or infrastructure planning; DHS will require additional time to develop the administrative infrastructure to acquire the subject matter expertise and requisite administrative resources to embark on the endeavor.

DHS requests clarification whether the appropriation is for additional administrative resources, evaluation, or additional sites. By adding sites, DHS will need additional administrative supports to oversee the contracts, address the reporting of data, and other issues.

DHS requests that any appropriation not supplant budget priorities identified by the Executive Budget.

Thank you for the opportunity to provide testimony on this bill.

Council Chair
Kelly T. King

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Riki Hokama
Alice L. Lee
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Maria E. Zielinski

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LATE

March 25, 2019

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Kelly T. King
Council Chair *Kelly T. King*

SUBJECT: **HEARING OF MARCH 27, 2019; OFFERING COMMENTS ON SB 1131, SD2, HD1, RELATING TO OHANA ZONES**

Thank you for the opportunity to offer **comments** on this important measure. The purpose of this measure is to increase the number of Ohana Zone sites, include private property owned by non-profit organizations under a public-private partnership as potential Ohana Zone locations, and extend the time to implement the Ohana Zones Pilot Program.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I offer the following comments:

1. It appears Ohana Zones program funding has not proven useful on Maui thus far. Increasing the number of sites may not necessarily increase the program's reach or improve its effectiveness.
2. The focus of Ohana Zones should be on creating end results, not on the methods used to achieve them.
3. I respectfully suggest the Legislature consider modifying the parameters of the program itself. Goals should be focused on providing housing for specific numbers of houseless persons by a certain date, while allowing flexibility in the implementation of the Ohana Zones program to best suit the needs of each island.

Thank you for your consideration of my foregoing **comments** on this measure.

LATE

SB-1131-HD-1

Submitted on: 3/27/2019 2:04:13 PM

Testimony for FIN on 3/27/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Democrats Committee on Legislative Priorities	Support	No

Comments: