

Honolulu, Hawaii

FEB 13

, 2020

RE: H.B. No. 2112

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Human Services & Homelessness and Housing,
to which was referred H.B. No. 2112 entitled:

"A BILL FOR AN ACT RELATING TO HOMELESSNESS,"

beg leave to report as follows:

The purpose of this measure is to provide shelter and other
services to homeless individuals by:

- (1) Establishing the Kauhale Pilot Program to provide tiny homes priced at no more than \$25,000 per unit with shared facilities to individuals coping with substance abuse who are receiving treatment and individuals who are chronically homeless;
- (2) Requiring the Lieutenant Governor to designate the Hawaii Housing Finance and Development Corporation and other appropriate agencies to develop and implement the Kauhale Pilot Program;
- (3) Requiring the Hawaii Housing Finance and Development Corporation to compile and consolidate information on the Kauhale Pilot Program from the designated agencies and submit annual reports to the Legislature prior to the 2021, 2022, and 2023 Regular Sessions; and



- (4) Appropriating funds to establish the Kauhale Pilot Program and for related expenses.

Your Committees received testimony in support of this measure from the Governor's Coordinator on Homelessness; Office of the Lieutenant Governor; State Procurement Office; Office of the Prosecuting Attorney of the County of Hawaii; Democratic Party of Hawaii; Hawaii Primary Care Association; Catholic Charities Hawaii; HOPE Services Hawaii, Inc.; Hawaii Health & Harm Reduction Center; Partners in Care; and numerous individuals. Your Committees received comments on this measure from the Department of Human Services and Hawaii Housing Finance and Development Corporation.

Your Committees find that the Hawaii Interagency Council on Homelessness (Council), a 27-member advisory council that is chaired by the Governor's Coordinator on Homelessness, recently voted to prioritize sustained funding commitments for affordable rental housing as part of its 2020 Regular Session legislative priorities to address homelessness. In particular, the Council recognized a need to develop site-based permanent supportive housing units that could be paired with supportive services to address the needs of chronically homeless households. Your Committees note that according to the Governor's Coordinator on Homelessness, development of nine separate Pilot Program sites statewide will assist in closing the gap in housing for individuals and families experiencing chronic homelessness.

Your Committees recognize that the construction and operation of tiny homes under the Kauhale Pilot Program offer an additional alternative to combat homelessness in the State. However, this undertaking will ultimately require considerable resources and support. Your Committees further note the testimony of the Hawaii Housing Finance and Development Corporation, which indicates that while it could assist with the development of Kauhale Pilot Program sites, it does not have the expertise in evaluating or administering homeless and housing services, or in managing such properties.

Noting these concerns, your Committees have amended this measure by:

- (1) Removing language that would have established and appropriated funds for the Kauhale Pilot Program;



- (2) Requiring the Office of the Lieutenant Governor to:
 - (A) Convene a working group to examine the feasibility of establishing and implementing a Kauhale Pilot Program, based on the criteria as specified in this measure, including management of the pilot program sites and exempting construction of the pilot program sites from county ordinances; and
 - (B) Include the Governor's Coordinator on Homelessness, Lieutenant Governor, Attorney General, Executive Director of the Office of Housing of the City and County of Honolulu, Executive Director of the Hawaii Public Housing Authority, and Executive Director of the Hawaii Housing Finance and Development Corporation, or their respective designees, to serve on the working group;
- (3) Changing its effective date to December 31, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Homelessness and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2112, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2112, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Human Services &
Homelessness and Housing,



TOM BROWER, Chair



JOY A. SAN BUENAVENTURA, Chair



