



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

S.B. NO. 1131, S.D. 2, RELATING TO OHANA ZONES.

BEFORE THE:

HOUSE COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS
AND HOUSE COMMITTEE ON HOUSING

DATE: Tuesday, March 19, 2019 **TIME:** 10:20 a.m.

LOCATION: State Capitol, Room 423

TESTIFIER(S): Clare E. Connors, Attorney General, or
Melissa L. Lewis, Deputy Attorney General

Chairs San Buenaventura and Brower and Members of the Committees:

The Department of the Attorney General offers the following comments.

The purpose of this measure is to amend Act 209, Session Laws of Hawaii 2018, to expand the duration and number of ohana zone sites statewide and appropriate additional funding to the Department of Human Services for ohana zones. The bill contains a provision that may impede implementation and be subject to legal challenge.

In section 3 of this measure, on page 4, lines 13-21, and on page 5, lines 1-3, the bill provides that:

The sums appropriated shall be expended by the department of human services for purposes of this Act; provided that:

- (1) The department of human services shall transfer the expenditure authority to designated executive branch departments or agencies within a reasonable time; and
- (2) A designated executive branch department or agency with expenditure authority may provide a direct grant to a nonprofit organization based in an ohana zone; provided that fifty per cent of the amount over which the department or agency has expenditure authority shall be distributed first to nonprofit organizations based in an ohana zone. [Emphasis added.]

It is unclear what the provision in paragraph (2) means or how that provision would be implemented. Further, if the intent is to permit a grant of money to a private entity, the standards for the grant should be set out so as not to violate article VII, section 4, of the

Hawaii Constitution, which provides that, “No grant of public money or property shall be made except pursuant to standards provided by law.” To avoid confusion and a possible legal challenge we recommend that the legislative intent of the provision in paragraph (2) be clarified or, in the alternative, that paragraph (2) be deleted.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

March 19, 2019

TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services & Homelessness

The Honorable Representative Tom Brower, Chair
House Committee on Housing

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: SB 1131 SD2 – RELATING TO OHANA ZONES

Hearing: Tuesday, March 19, 2019, 10:20 a.m.
Conference Room 423, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports the intent of this bill provided that its passage does not replace or adversely impact priorities indicated in the executive budget, and respectfully offers comments.

The Coordinator appreciates the amendment of the Senate Committees on Human Services and Housing to extend the sunset date for the Ohana Zone pilot program.

PURPOSE: The purpose of the bill is to increase the number of Ohana Zone sites on Oahu from three to six, and to increase the number of Ohana Zones on the islands of Hawaii, Kauai, and Maui by at least two additional sites on each island if permitted by the Ohana Zones pilot program capacity. In addition, the bill requires additional information to be included in reports submitted prior to the convening of the 2020 and 2021 legislative sessions. The bill also appropriates funds to the Department of Human Services (DHS) for the Ohana Zone pilot program.

The Coordinator notes that the Office of the Governor has already committed Ohana Zone funds appropriated by Act 209, Session Laws of Hawaii 2018, to support seven projects on the island of Oahu. The Office of the Governor is currently in discussion with the Counties of

Maui, Hawaii, and Kauai to consider additional projects in those counties. A report regarding the allocation of Ohana Zone funds was submitted to the legislature in December 2018, and can be found online at: <https://humanservices.hawaii.gov/wp-content/uploads/2019/01/2019-HRS-346-3819-Report-Re-HICH-Act-209-2018-Re-Ohana-Zone-Medical-Pilots.pdf>.

The Coordinator is supportive of additional efforts to address homelessness and, in particular, to expand the availability of permanent supportive housing resources.

If this bill proceeds, the Coordinator requests clarification regarding the intent of the appropriation language in section 3 on page 4, lines 18-21 and page 5, lines 1-3. As currently drafted, it is unclear whether the intent is for a grant to be provided to a nonprofit organization based in an existing Ohana Zone funded through Act 209 (Session Laws of Hawaii 2018), or whether the intent is to provide a grant to a nonprofit organization to establish a new Ohana Zone. In addition, it is unclear whether “fifty per cent of the amount over which the department or agency has expenditure authority” refers to fifty percent of the \$500,000 appropriated to DHS, or whether it is fifty percent of any amount transferred by DHS to another agency for Ohana Zone purposes, or whether it is fifty percent of the amount intended to be awarded for the establishment of a new Ohana Zone.

Thank you for the opportunity to testify on this bill.

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

March 17, 2019

TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services and Homelessness

The Honorable Representative Tom Brower, Chair
House Committee on Housing

FROM: Pankaj Bhanot, Director

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

Hearing: March 19, 2019, 9:00 a.m.
Conference Room 423, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the this measure, specifically, 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.

PURPOSE: The purpose of this bill is to increase the number of ohana zone sites on Oahu from 3 to 6; increase the number of ohana zones on the islands of Hawaii, Kauai, and Maui, if the ohana zones pilot program capacity permits. Requires that additional information be included in the reports submitted no later than 20 days prior to the convening of the regular sessions of 2020 and 2021. Provides additional time for the implementation of the ohana zones

pilot program. Appropriates funds to the Department of Human Services for the ohana zones pilot program. Effective 7/1/2050. (SD2)

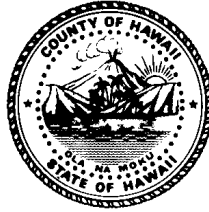
DHS appreciates that the Legislature is trying to find solutions to the shelter needs of homeless residents using Housing First principles. DHS supports solutions that increase permanent housing options.

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.

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 15, 2019

Representative Joy A. San Buenaventura, Chair
Representative Nadine K. Nakamura, Vice Chair
Committee on Human Services and Homelessness

Representative Tom Brower, Chair
Representative Scot Z. Matayoshi, Vice Chair
Committee on Housing

Dear Chairs San Buenaventura and Brower, Vice Chairs Nakamura and Matayoshi, and Committee Members:

RE: SB 1131, SD2 Relating to Ohana Zones

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

SB 1131, SD2 is positive in that it broadens the scope of the Ohana Zones Pilot Program by increasing the number of zones and extending the implementation period.

But HB 257, HD2 has an added provision that would allow for partnerships on private land, which is critical flexibility that likely would 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.

I hope you will add the best features of HB 257, HD2 to a new draft of SB 1131. Increased flexibility would be a positive way of implementing the pilot project and maximizing its potential for success.

Respectfully Submitted,

Harry Kim
MAYOR

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
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March 15, 2019

TO: The Honorable Joy A. San Buenaventura, Chair
House Committee on Human Services & Homelessness
The Honorable Tom Brower, Chair
House Committee on Housing

FROM: Kelly T. King
Council Chair

Handwritten signature of Kelly T. King in black ink.

SUBJECT: **HEARING OF MARCH 19, 2019; OFFERING COMMENTS ON SB 1131, SD2, 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 on Oahu and to increase the number of Ohana Zone sites on Hawaii, Kauai, and Maui if the Ohana Zones pilot program capacity permits.

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. 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.

SB-1131-SD-2

Submitted on: 3/17/2019 9:53:30 PM

Testimony for HSH on 3/19/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Hawaii Kai Homeless Task Force	Support	No

Comments:

TO: The House Committees on Human Services & Homelessness and Housing.
FROM: Mike Goodman, Director, The Hawaii Kai Homeless Task Force and Member, Partners In Care Advocacy Committee.
RE: SB1131 SD2
HEARING: Joint Committee Hearing on Tuesday, March 19, 2019 at 10:20 a.m. Conf. Rm. 423

Dear Representative San Buenaventura, Chair and Representative Kakamura, Vice Chair, of the Committee on Human Services and Homelessness; Representative Tom Brower, Chair and Representative Matayoshi, Vice Chair, of the Committee on Housing; Thank you for the opportunity to testify in strong support of SB1113 with suggested amendments.

Those who object to Ohana Zones are correct when they say safe zones don't work. Generally, 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 housing each year. Hopefully, that will change. In the meantime, 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.

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-SD-2

Submitted on: 3/14/2019 5:11:03 PM

Testimony for HSH on 3/19/2019 10:20:00 AM

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.

Mahalo for your consideration and for the opportunity to testify.

Mahalo,

Michael Golojuch, Jr.

Chair

LGBT Caucus of the Democratic Party of Hawaii

Greetings,

I strongly support the idea of more Ohana zones, but I have some concerns about the program. The Housing First Initiative is a proven success, but I am concerned about the services provided to the communities within them. The holistic approach of wrap around services is key to the success of this program. The homeless are largely affected by three different things: poverty, substance addiction and mental illness. (As Lt Gov Green has mentioned numerous times) Ohana zones defiantly address the poverty issue, but without wrap around services to address to monitor the Ohana Zones only one of the three legs to the chair are being addressed.

Data needs to be collected on how Ohana zones reduce the amount of ER visits to hospitals. In the 2017 Touch Points in Time report it showed that houseless individuals were 9-12 times more likely to use ER services than low income housing individuals were. Out of those houseless only 15% were legitimate emergency room issues. This data could reinforce how effective Ohana zones are. If there are negligible results, then primary care providers could be incorporated into the Ohana zones themselves.

Another concern is how do we ensure that these do not become "Hawaiian Ghettos"?

Even with these concerns housing is still a crucial first step that can help mitigate many issues that I referenced, but housing alone should not be the end all be all of the Ohana Zones. For Ohana Zones to truly be successful a holistic approach must be employed.

Thank you for allowing me to testify.

V/R

Stephen Geib