



EXECUTIVE CHAMBERS
HONOLULU

February 10, 2022

TO: The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing

The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, and Homelessness

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

SUBJECT: **HB 1648 – RELATING TO HOMELESSNESS.**

Hearing: Thursday, February 10, 2022, 11:00 a.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this bill, respectfully offers comments, and defers to the Department of Budget and Finance (B&F) and the Department of Human Services (DHS) regarding the potential impact on their respective agencies and the executive budget.

PURPOSE: The purpose of the bill is to establish the Office of Homelessness and Housing Solutions and the Homelessness and Housing Solutions special fund. The bill makes an appropriation of \$2,000,000 into and out of the homelessness and housing solutions fund for the administration of the office.

The Coordinator recognizes a long-term coordinated effort by the government and private sector is necessary to reduce and end homelessness statewide. Over the past six and a half years, the Coordinator has worked as Chair of the Hawaii Interagency Council on Homelessness (HICH) to guide a series of policy changes that contributed to steady decreases in homelessness statewide between 2016 and 2020. Key actions included implementation of performance metrics in DHS contracts for homeless services, implementation of the Medicaid Community Integration Services (CIS) tenancy and pre-tenancy support program, the

establishment of statewide protocols to address encampments on public lands, and implementation of the Ohana Zones pilot program in partnership with the four counties. In addition, the Coordinator's placement in DHS has enabled a positive working relationship with the DHS Homeless Programs Office (HPO), Med-QUEST Division (MQD), and Social Services Division (SSD) to support the efforts of the HICH. The [annual legislative report](#)¹ summarizes the recent work of the Coordinator and HICH.

As currently drafted, the bill takes effect July 1, 2022. The Coordinator notes additional time will be required to effectively plan and transition current functions from DHS to B&F effectively. For example, the Coordinator administers Ohana Zone contracts with the four counties through DHS; these have a variety of end dates, with the latest ending in June 2023. If the bill passes, it is unclear how the administration of these existing contracts will be impacted or how proposed Ohana Zones funding will be managed if new measures appropriate new funds to DHS. The Coordinator would like to minimize additional contract administration, especially if additional appropriations are available to procure more or existing services.

In addition, the establishment of the new office will likely require coordination with executive branch agencies and offices that have overlapping responsibilities, such as DHS HPO, DOH, Hawaii Public Housing Authority (HPHA), and the Hawaii Housing Finance and Development Corporation (HHFDC). The current Coordinator's appointment will end in December 2022. A new Coordinator will require additional time for planning and implementation, including identifying office space and staff appointments.

Concerning the proposed special fund, the Coordinator notes that section 346-377, Hawaii Revised Statutes (HRS), which established a similar Housing First special fund, was repealed by the Legislature in 2016. However, the Housing First special fund included language that enabled the counties to appropriate matching funds into the special fund. Respectfully, the Legislature may want to consider amending this bill to include similar matching fund language for the proposed special fund. In addition, to maximize general funds to homeless services, the Coordinator requests the Legislature consider amending section 36-27(a), HRS,

¹ Report available at: <https://homelessness.hawaii.gov/wp-content/uploads/2021/12/HICH-Report-to-2022-Legislature-FINAL.pdf>.

and section 36-30(a), HRS, to exempt the proposed special fund from the respective central services expenses and administrative expenses assessment.

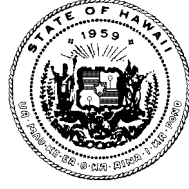
The Coordinator further notes that page 8, line 3 of the bill allows the proposed special fund to “[p]rovide financial assistance to public and private agencies in accordance with chapter 42F involved in homelessness and housing solutions other than those covered by this section.” Chapter 42F, HRS, applies only to grants awarded by the Legislature by an appropriation to a specified recipient. The Coordinator suggests deleting the reference to chapter 42F and replacing it with reference to chapter 103F, HRS, regarding purchases of health and human services.

Finally, the Coordinator requests clarification at page 2, line 20, that the Coordinator currently supervises four full-time staff. As currently drafted, the bill does not appear to include a specific appropriation for personnel costs or establishment of positions for the office or language specifying that current positions be transferred to the proposed office.

If this measure proceeds, the Coordinator will work with B&F, DHS, and other impacted executive branch agencies to assess impacts and develop a transition plan to implement the proposed office. Planning and preparation for establishing the new office are critical to mitigate potential conflicts with state agencies and community partners, such as the Continua of Care (CoCs).

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 8, 2022

TO: The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing

The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, & Homelessness

FROM: Cathy Betts, Director

SUBJECT: **HB 1648 – RELATING TO HOMELESSNESS.**

February 10, 2022, 11:00 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure, defers to the Department of Budget & Finance (B&F), and provides comments.

PURPOSE: The purpose of this measure is to establish the Office of Homelessness and Housing Solutions and the Homelessness and Housing Solutions Special Fund. Makes an appropriation.

The Governor's Coordinator on Homelessness is a unique position that currently has the mandate and authority to lead the Hawaii Interagency Council on Homelessness (HICH), a cross-sector, inter-government advisory council in shaping and executing the State's strategy to end homelessness. DHS agrees with the proposal that the Coordinator's office staff should be permanent and exempt from Chapter 76, Hawaii Revised Statutes. However, DHS does not necessarily agree that transferring the Coordinator and staff to B&F will result in the office having more authority than it currently does. The Legislature could authorize the Coordinator

additional authority in the current structure. DHS is concerned that a transfer will require a considerable amount of time and resources and may not result in significant progress to address homelessness.

Since the HICH was convened, the Coordinator and the HICH have implemented innovative programs, supporting the continued development of the coordinated entry system, shifting to a Housing First approach, and successfully implementing the Ohana Zones pilot program projects. During the pandemic, the Coordinator and staff work with homeless service providers, the Counties, the Judiciary, and other executive departments to address the needs of Hawaii's homeless or houseless residents. Notably, the Coordinator facilitates regular training for the community to keep abreast of the latest COVID-19 strategies. The cross-sector collaboration led by the Coordinator, the HICH, in close partnership with the Continuum of Care providers, was built and strengthened on the existing organizational and statutory structure.

DHS has long maintained that funding for homeless services should become part of the executive's base budget instead of non-recurring year-to-year funding. Year-to-year funding does not encourage long-term strategies or investment by community providers in program development or allow for program enhancements. Most importantly, the State and Counties must invest in increasing the low-income rental inventory so residents can live in real homes and not have to survive in shelters.

However, if the measure passes as drafted, DHS will work with the Department of Budget & Finance to transition the Coordinator and staff positions. The transition will take time and resources to accomplish, and DHS suggests providing sufficient time for the transfer to occur. Additional positions may be required to maintain the current homeless efforts.

As the measure continues, DHS requests the Legislature consider including an amendment to also transfer the Hawaii Interagency Council on Homelessness to the B&F. Additionally, the Legislature may want to consider exempting the proposed special fund from the central services expenses assessment and the administrative expenses assessment under sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, respectfully. In this way, the general funds appropriated for homelessness will go to homeless services.

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

STATE OF HAWAI‘I
OFFICE OF THE PUBLIC DEFENDER

**Testimony of the Office of the Public Defender, State
of Hawai‘i to the House Committee on Housing and the
House Committee on Health, Human Services, & Homelessness**

February 10, 2022

H.B. No. 1648: RELATING TO HOMELESSNESS

Chairs Nakamura and Yamane, Vice Chairs Hashimoto and Tam, and Members of the Committees:

The Office of the Public Defender supports H.B. No. 1648.

The purpose of this measure is to establish the Office of Homelessness and Housing Solutions and the Homelessness and Housing Solutions Special Fund.

An informal group brought together by the Honorable Sharon Y. Moriwaki and identified as the Ending Homelessness Group (“EHG”), representing twenty-plus representatives from eleven state, county, and non-profit agencies (including the Office of the Public Defender), has been meeting since June 2021 to discuss problems and difficulties in ending (or at least reducing) homelessness and in finding solutions to prevent and end homelessness. The EHG came up with many different proposals to meet gaps in housing, enforcement, and treatment/system flow. One such solution is to establish the Office of Homelessness and Housing Solutions.

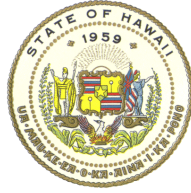
The EHG recognized that a long-term solution was necessary to reduce, prevent, and end homelessness. Currently, homelessness is addressed through year-to-year funding rather than funding in the base budget. This creates uncertainty among agencies and providers with sporadic and fragmented services instead of continuous attention to getting the homeless to permanent housing.

The creation of a central agency such as the Office of Homelessness and Housing Solutions will be able to coordinate matters relating to homelessness and affordable housing between state and county agencies and private entities with the goal of preventing and ending homelessness through transitional and permanent housing and supportive and/or assisted services. The proposed executive office will also be able to work with other executive branch departments and agencies to develop and maintain multi-year strategic and tactical plans and road maps that are part of the State’s overall plan for homelessness and housing. The office will also be able to

develop and implement homelessness and housing strategies, including authority to obtain exemptions for homeless shelters, mental health and substance abuse treatment facilities and supportive housing projects.

Thank you for the opportunity to comment on H.B. No. 1648.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE CASE
Chairperson**

**Before the House Committees on
HOUSING
and
HEALTH, HUMAN SERVICES & HOMELESSNESS**

**Thursday, February 10, 2022
11:00 AM
State Capitol, Conference Room 329, Via Videoconference**

**In consideration of
HOUSE BILL 1648
RELATING TO HOMELESSNESS**

House Bill 1648 proposes to establish the Office of Homelessness and Housing Solutions (Office) and the Homelessness and Housing Solutions Special Fund and make an appropriation, to provide stable staff and funding, allowing the State to make long-term investments in strategies to reduce homelessness. **The Department of Land and Natural Resources (Department) supports the intent of this bill and offers the following comments.**

House Bill 1648 will stabilize funding and staffing for the overall coordination of homelessness in Hawaii. The current Governor's Office on Homelessness (Governor's Office) provides strategic guidance, oversight and coordinates homeless strategies for departments with homeless on their properties. The Department uses the services of the Governor's Office regularly. As a land management agency, the Department has no staff with expertise in addressing the many needs of homeless, including applying for documents, mental health issues, regular health issues and many more. The Governor's Office is crucial in making these connections for the homeless on Department lands.

The Department notes that it may be more efficient to locate the Office in the Department of Human Services (DHS), rather than Budget and Finance (B&F), since much of the funds directed at homelessness already go through DHS for procurement. Since there is overlap between DHS and homelessness, other efficiencies could be found if the Office is in DHS.

Finally, the Office may benefit from a transition period to allow time for planning and input from other agencies on how the new office will function and to ensure minimal negative impacts as a

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
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M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

result of the changes proposed in this bill. The Department defers to B&F and DHS regarding the impact this bill may have on their functions and staffing.

Thank you for this opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON HOUSING AND HEALTH, HUMAN SERVICES,
& HOMELESSNESS
ON
HOUSE BILL NO. 1648**

**February 10, 2022
11:00 a.m.
Room 329 and Videoconference**

RELATING TO HOMELESSNESS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B) No. 1648 amends Chapter 346, HRS, to: 1) establish the Office on Homelessness and Housing Solutions (OHHS) within B&F; 2) set the duties and responsibilities of OHHS; 3) designate the Governor's Coordinator on Homelessness (GCH) as the head of OHHS; 4) set additional reporting requirements for the GCH; 5) authorize the GCH to appoint OHHS staff without regard to Chapter 76, HRS; 6) establish the Homelessness and Housing Solutions Special Fund (HHSSF); and 7) add new definitions for clarity. The bill also appropriates \$2,000,000 in general funds to be deposited into the HHSSF and appropriates \$2,000,000 out of the HHSSF in FY 23 to B&F to cover administration costs of OHHS in FY 23.

B&F notes that it currently does not administer any programs that develop, coordinate, and implement homelessness and housing solutions and that the establishment of OHHS may be more suitable within a department that already has programs that perform similar and related activities.

B&F also notes that, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 1648, there does not appear to be any significant source of revenues to support the HHSSF aside from appropriations from the general fund.

B&F further notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

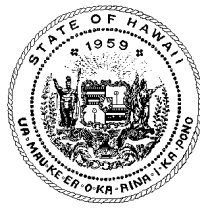
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
1177 Alakea Street, 6th Floor
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MAX N. OTANI
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Tommy Johnson
Deputy Director
Corrections

Jordan Lowe
Deputy Director
Law Enforcement

No. _____

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL 1648
RELATING TO HOMELESSNESS.

by
Max N. Otani, Director

House Committee on Housing
Representative Nadine K. Nakamura, Chair
Representative Troy N. Hashimoto, Vice Chair

House Committee on Health, Human Services, and Homelessness
Representative Ryan I. Yamane, Chair
Representative Adrian K. Tam, Vice Chair

Thursday, February 10, 2022; 1100 a.m.
State Capitol, Via Video Conference

Chairs Nakamura and Yamane, Vice Chairs Hashimoto and Tam, and Members of the Committees:

The Department of Public Safety (PSD) has reviewed House Bill (HB) 1648, which seeks to establish an Office of Homelessness and Housing Solutions and the Homelessness and Housing Solutions Special Fund, and appropriates funds for this purpose.

PSD supports the intent of this measure and defers to the Department of Human Services (DHS), respectfully suggesting the new Office of Homelessness and Housing Solutions and its related Special Fund be more appropriately established within DHS for administrative purposes, in consideration of the current administrative locus of the Hawaii Interagency Council on Homelessness and the Hawaii Public Housing Authority in that department.

Thank you for the opportunity to submit testimony on HB 1648.

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU

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**THE HONORABLE NADINE K. NAKAMURA, CHAIR
HOUSE COMMITTEE ON HOUSING**

**THE HONORABLE RYAN I. YAMANE, CHAIR
HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, AND HOMELESSNESS**

**Thirty-First State Legislature
Regular Session of 2022
State of Hawai'i**

February 10, 2022

RE: H.B. 1648; RELATING TO HOMELESSNESS.

Chair Nakamura, Chair Yamane, Vice Chair Hashimoto, Vice Chair Tam, members of the House Committee on Housing, and members of the House Committee on Health, Human Services, and Homelessness, the Department of the Prosecuting Attorney of the City and County of Honolulu ("Department") submits the following testimony in support of H.B. 1648.

With 46 out of every 10,000 people in Hawai'i being reported as homeless--one of the highest rates in the nation--and 70% of our homeless individuals living in unsheltered locations, our State is clearly in a dire situation.¹ Indeed, homelessness not only presents a direct risk to the health and safety of affected individuals, it also serves as an added stressor and/or contributing factor in many crimes.

The purpose of H.B. 1648 is to create a central agency which will spearhead greater collaboration, coordination and the creation of effective initiatives to address homelessness. The Department strongly agrees that Hawaii would benefit from the creation of the office on homelessness and housing solutions, as its presence will be a positive step towards unifying and creating continuity among government agencies and community partners. The Department

¹ "2020 Annual Homeless Assessment Report to Congress," U.S. Department of Housing and Urban Development (HUD), dated March 18, 2021. Available online at <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>; last accessed January 25, 2022.

greatly appreciates the Legislature's support providing the necessary resources and funding to pursue this rewarding endeavor.

For all of the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu supports the passage of H.B. 1648. Thank you for the opportunity to testify on this matter.

HB-1648

Submitted on: 2/7/2022 4:30:20 PM

Testimony for HSG on 2/10/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Randy Gonce	Individual	Support	No

Comments:

Aloha members of the committee,

I strongly support this measure. I worked for one year under the Governor's Coordinator on Homelessness as a state employee and this measure is extremely necessary to ensure the State of Hawaii has the correct resources in place to meaningfully address homelessness. This office does some really great work but they absolutely need a dedicated and consistent revenue stream. Additionally, this would also allow the department discretion on employee salaries and the like. For the amount of work this office does the salaries are close to qualifying for poverty wages.

If the State of Hawaii is serious about addressing the very complex issue of homelessness this is a small first step in the right direction.

- Randy Gonce

HB-1648

Submitted on: 2/8/2022 7:56:09 PM

Testimony for HSG on 2/10/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jerome Bautista	Individual	Support	No

Comments:

Affordable housing is something Hawaii needs to focus on for its kama`aina. In viewing the latest PIT report from Partners in Care, 17% of those surveyed homeless reported it was because they could not afford rent. With all of development happening around town, it's very discouraging to see that most of those high rises are really not for local residents or the middle class. Finding locations to establish Affordable Housing is imperative. Once those locations are found, that affordable housing is the priority over major developers would also be a win for kama`aina.

LATE

To: Representative Nadine K. Nakamura, Chair
Representative Troy N. Hashimoto, Vice Chair
Members of the House Committee on Housing
Representative Ryan I. Yamane, Chair
Representative Adrian K. Tam, Vice Chair
Members of the House Committee on Health, Human Services, & Homelessness

From: Clara Kathman

Subject: Support of House Bill 1648 relating to homelessness

Aloha! My name is Clara Kathman and I am currently a senior at Kalaheo High School. I strongly support HB1648 and ask you to vote yes on this bill.

This bill would ask the state to create a long-term commitment to reduce, prevent, and end homelessness. HB1648 asks that the state appropriates funds to create the Office on Homelessness and Housing solutions. This is extremely vital to Hawaii's wellbeing as it will establish a committee to help the, "6,458 people experiencing homelessness statewide" (2020 PIT count). By establishing an office dedicated to creating solutions to homelessness the state demonstrates its active investment in the homelessness crisis. Currently, Hawaii ranks third in the country for its high rate of homelessness. This is a crisis that needs active attention and proactive change. Establishing the Office on Homelessness and Housing Solutions will give this issue the attention it so desperately needs.

Homelessness is an issue that no one in Hawaii can ignore. No matter where you go it is staring you in the face. Everyone I know has had positive and negative interactions with the houseless people in our community including myself. For the most part, these are kind and generous people just trying to get by, but they cannot do it without the State's help. It is no secret that housing prices are extremely high and navigating the affordable housing world is nothing short of complicated. With the establishment of the office on Homelessness and Housing Solutions, we can give houseless people the support they need to get off the street and into fulfilling community roles.

The state can no longer ignore this crisis. I strongly urge you to support the thousands of residents of Hawaii currently on the streets by voting YES on HB1648.

Sincerely,

Clara Kathman

Citations

"Point in Time Count." *Point in Time Count*, <https://homelessness.hawaii.gov/point-in-time-count/>.

"State of Homelessness: 2021 Edition." *National Alliance to End Homelessness*, 16 Aug. 2021, <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2021/>.