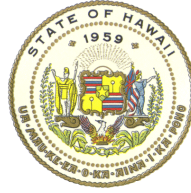
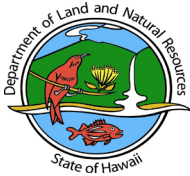


DAVID Y. IGE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

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

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
ACTING 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

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
FINANCE**

**Thursday, February 24, 2022  
2:00 PM**

**State Capitol, Conference Room 308, Via Videoconference**

**In consideration of  
HOUSE BILL 2512, HOUSE DRAFT 1  
RELATING TO OHANA ZONES**

House Bill 2512, House Draft 1 proposes to extend the 'Ohana Zone Pilot Program to June 30, 2026 and exempt contracts entered into under this Program from all or parts of 19 Chapters of the Hawaii Revised Statutes (HRS). **The Department of Land and Natural Resources (Department) opposes this bill as the exemptions related to land use are too broad, erase environmental protections and close off opportunities for public comment.** The Department prefers the original language of the bill, which did not include waivers of any laws.

The Department notes that the original Ohana Zone legislation (Senate Bill 2401, Senate Draft 2, House Draft 1, Conference Draft 1) enacted as Act 209, Session Laws of Hawaii 2018, only exempted Chapters 103D and 103F, HRS. All other exemptions were a part of the Governor's emergency declaration. As the emergency declaration is no longer in effect, the Department questions the need for such broad exemptions from statute. In general, all of the laws waived protect the health and safety of the public and exist for good reasons. The Department requests the bill be amended to remove all waivers, but particularly of Chapters 6E, 46, 171, 205, 205A and 343, HRS, for the reasons listed below

**Chapter 46, HRS.** The waiver of Chapter 46, HRS, is much too broad as this Chapter delegates authority to the Counties. In particular, the Department is concerned that the waiver may conflict with the County's ability to regulate development in the floodplain in accordance with the Federal Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP). If the County does not have the ability to regulate development in the floodplain, then the State of Hawaii may lose its ability to participate in NFIP. This would put homeowners statewide at risk. The Department also notes that Section 46-4, HRS, County Zoning is

necessary to ensure appropriate land uses. In particular, the Department has concerns with waiving Section 46-4(3), HRS, zoning power over the areas bordering natural watercourses, channels, and streams, in which trades or industries, filling or dumping, erection of structures and the location of buildings may be restricted. Waiving county zoning regulations in these areas could affect downstream or neighboring populations and threaten the State's ability to participate in NFIP.

**Chapter 6E, HRS** protects historic properties for the public good. A waiver of Chapter 6E, HRS, sweeps away protections for burials, and for historic and cultural sites of Native Hawaiians and other people of Hawaii without any process for comments from the affected public or review by the Department's State Historic Preservation Division. The State Historic Preservation Division is working on multiple fronts to ensure reviews of projects happen within the statutory deadlines.

A waiver of all of **Chapter 171, HRS**, is much too broad. This waiver appears to exempt Ohana Zones from the authority of the Board of Land and Natural Resources, including its ability to lease land. If Ohana Zones are exempted from having to lease lands under board authority, this could lead to chaos. Generally, a lease protects both State and leasing party because it describes terms of use, and the leasing party has to provide proof of insurance and indemnify the State. By granting a waiver of Chapter 171, HRS, the State forgoes these protections and opens the Department to lawsuits because 1) there is no lease describing what can and cannot be done on the land and 2) there is no indemnity insurance. This type of waiver does not benefit the public.

**Chapter 205, HRS, Land Use Commission and Chapter 205A, HRS, Coastal Zone Management (CZM) Program.** The Department will rely on the Land Use Commission to comment on adverse effect of waiving Chapter 205, HRS, and the Office of Planning and Sustainable Development to comment on the adverse effects of waivers of both these laws. The Department notes land use planning ensures the highest and best use of land, and that the CZM Program is important for preserving open space and reducing hazards to life and property from coastal hazards. As with all of the proposed land use waivers, failing to review the effects of these types of projects could have adverse effects on the public and on other land uses.

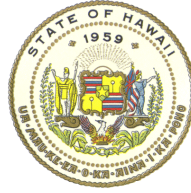
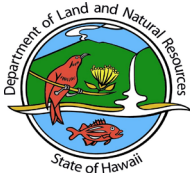
**Chapter 343, HRS**, serves 2 major purposes. First, it addresses environmental effects of a project on Hawaii's unique and fragile environment. The Department does not support a waiver because the state has daily evidence of human effects on the environment to the detriment of the larger population. Coral loss due to polluted run-off, as well as climate change is a constant problem. The importance of monitoring water quality has been made very clear by the Red Hill leak. Avian malaria is threatening extinction for almost all of our native birds. Waiving Chapter 343, HRS, avoids looking at possible effects to these resources and addressing mitigation of any effects.

The second purpose of Chapter 343, HRS, is to allow the public an opportunity to comment on projects that may affect them. Waiving Chapter 343, HRS, closes this avenue for public comment on projects that the public should have an opportunity to weigh in on, since they are often built on public lands that other people, in addition to the homeless may use. While the Department understands the need for low income and alternate housing and the added costs

incurred by complying with environmental regulations, we feel those costs are well worth it to ensure the protection of Hawaii's unique and fragile environment for the entire population of our state.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**SUZANNE D. CASE**  
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incurred by complying with environmental regulations, we feel those costs are well worth it to ensure the protection of Hawaii's unique and fragile environment for the entire population of our state.

Thank you for the opportunity to testify on this measure.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2022**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2512, H.D. 1, RELATING TO OHANA ZONES.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Thursday, February 24, 2022      **TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 308, Via Videoconference

**TESTIFIER(S):** Holly T. Shikada, Attorney General, or  
Melissa L. Lewis, Deputy Attorney General

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Chair Luke and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

The purposes of this bill are to amend the Ohana Zones Pilot Program established pursuant to Act 209, Session Laws of Hawaii 2018, by amending section 4, as amended by Act 128, section 1, Session Laws of Hawaii 2019, to address homelessness to: (1) exempt contracts entered into by executive branch agencies designated by the Governor pursuant to the Act from the requirements of numerous sections and chapters of the Hawaii Revised Statutes (HRS); (2) extend the Ohana Zones Pilot Program to June 30, 2026; and (3) appropriate \$15,000,000 for fiscal year 2022-2023, to be expended by the Governor's Office.

Section 1(1) of the bill, on page 1, lines 5-10, will amend section 4(a) of Act 209, as amended, to read as follows:

(a) Contracts entered into by the agencies designated by the governor pursuant to the ohana zones pilot program shall be exempt from the requirements of chapters 6E, 46, 92, 103D [and], 103F, 104, 171, 205, 205A, 206E, 343, and 346, and sections 37-41, 37-74 (d) (1), 40-66, 102-2, 103-2, 103-53, 103-55, 105-1 through 105-10, and 464-4, Hawaii Revised Statutes.

The proposed exempted HRS chapters and sections include: chapter 6E, Historic Preservation; chapter 46, County Organization and Administration; chapter 92, Public Agency Meetings and Records; chapter 104, Wages and Hours of Employees on

Public Works; chapter 171, Conservation and Resources; chapter 205, Land Use Commission; chapter 205A, Coastal Zone Management; chapter 206E, Hawaii Community Development Authority; chapter 103D, Hawaii Public Procurement Code; chapter 103F, Purchases of Health and Human Services; chapter 343, Environmental Impact Statements; chapter 346, Social Services; section 37-41, Appropriations to revert to state treasury; exceptions; section 37-74(d)(1), Program execution; section 40-66, Appropriations lapse when; section 102-2, Contracts for concessions; bid required, exception; section 103-2, General fund; section 103-53, Contracts with the State and counties; tax clearances, assignments; section 103-55, Wages, hours, and working conditions of employees of contractors performing services; sections 105-1 through 105-10, Government motor vehicles; and section 464-4, Public works.

The Bill does not provide a reason for exempting entire HRS chapters and various sections, or how each HRS chapter and section exempted would apply to contracts entered into by state agencies designated by the Governor (other than chapters 103D and 103F, which relate to procurement). An exemption overbreadth may: (1) cause implementation challenges; (2) result in unintended consequences; and (3) lead to legal challenges that would delay projects undertaken as part of the Ohana Zones Pilot Program. If this measure proceeds, we suggest that the listed exempt HRS chapters and sections be deleted or narrowed to those strictly necessary for the program and can be justified. We further suggest that a purpose section be added to the bill to provide the justification for exempting the various HRS chapters and sections.

Thank you for the opportunity to provide testimony 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 23, 2022

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

**FROM:** Cathy Betts, Director

**SUBJECT: HB 2512 HD1 – RELATING TO OHANA ZONES.**

February 24, 2022, 2:00 p.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports extending the Ohana Zone Pilot Program; however, the DHS opposes the HD1. DHS proposed administration measures HB2140/ SB3108 and prefers the language in those measures or the original HB2512. DHS defers to other departments impacted by the HD1.

**PURPOSE:** The purpose of this measure is to expand regulatory exemptions for ohana zones pilot program contracts. Extends the sunset date for the ohana zones pilot program to June 30, 2026. Appropriates funds to the governor for the ohana zones pilot program.

Effective 7/1/2060. (HD1) The HD1 made significant amendments by:

- (1) Expanding the regulatory exemptions for Ohana Zones Pilot Program contracts, similar to those previously included in the Governor's Emergency Homeless Proclamation;
- (2) Changing the effective date to July 1, 2060, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

The Department supports extending the ohana zone pilot program. However, DHS respectfully opposes amendments to section 1 that exempts ohana zone pilot program

contracts from whole chapters of law, including Chapter 346, Hawaii Revised Statutes. Specifically, DHS respectfully opposes exempting the entire Chapter 346, HRS, as it may delay and thwart the delivery and oversight of financial, nutrition, medical, child care, protective, and other public assistance services. Also, it is unclear what kind of authority the Governor's Coordinator on Homelessness or the Hawaii Interagency Council on Homelessness (HICH) would continue to have regarding the delivery of homeless services. The Coordinator and the HICH are established in Part XVIII, Chapter 346, HRS, and much of the coordinated entry system, changes, and practices are issues facilitated through the Coordinator and the HICH. Additionally, DHS contracted services, such as outreach and Housing First programs, are contracted through the authority set forth in Chapter 346. Therefore, DHS respectfully requests the Legislature reconsider the breadth of HD1 Section 1 and, at the very least, delete the exemption of chapter 346, HRS.

The Department further suggests going back to the original HB2512 or adopting the language of administration measure HB2140.

The Department anticipates a growing number of households will experience housing instability and face eviction. As a result, DHS will need to continue to provide the innovative community-based shelter and housing support programs initiated through the Ohana Zones pilot program led by the Coordinator. Act 209, SLH 2018, established the Ohana Zones pilot program as a three-year pilot project with an initial sunset date of June 30, 2021. Act 128, SLH 2019, extended the program to June 30, 2023.

The continuing COVID-19 pandemic health and economic consequences impact many residents' ability to pay rent or mortgages. We are aware that since the end of the eviction moratorium, evictions have been taking place and we do not know the statistics of what is happening to these individuals and families. As prices for rent and most consumer goods continue to rise and wages remain the same for many low-income residents, and as federal assistance wanes, we anticipate that more residents will not be able to pay rent and will not be able to find less expensive Housing.

As of September 30, 2021, nineteen Ohana Zones pilot projects served 5,076 individuals statewide and placed 1,129 individuals into permanent Housing. In addition, the Ohana Zones

pilot projects maintained 358 beds in the homeless services system and added 432 new beds for shelter or Housing. During the COVID-19 pandemic, the Ohana Zones pilot program enabled the State and counties to be flexible and quickly add shelter capacity.

Following the economic recession in 2009, the statewide point-in-time count of homeless individuals increased from 5,782 to a high of 7,921 in 2016 – an increase of 2,139 people (36.9% increase). DHS anticipates a potentially more significant increase than following the 2009 recession as the pandemic continues and the timeframe for economic recovery is uncertain.

Additionally, the pandemic has further exposed the need for the State and counties to develop safer shelter options for unaccompanied youth and youth whose families are experiencing homelessness or living in crowded spaces. When families are experiencing housing instability, frequently, older youth double up with family members or friends; these older youth may stay at multiple homes to not overburden the families where they are staying. The housing instability impacts their health and well-being and their ability to attend school. More resources are needed to provide stable housing options for unaccompanied youth or youth experiencing homelessness. COVID-19 exposure and diagnosis have also impacted the ability of youth to find safe shelter to isolate and quarantine and to attend online school while in isolation or quarantine.

Given the increased demand for homeless services, there is a need to continue and expand the Ohana Zones pilot program to sustain effective services and expand statewide bed inventory. The continuation and expansion of the Ohana Zones pilot program will sustain effective homeless services and add new bed inventory to meet increased demand during and following the COVID-19 pandemic.

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

DAVID Y. IGE  
GOVERNOR



EXECUTIVE CHAMBERS  
HONOLULU

February 24, 2022

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

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

SUBJECT: **HB 2512 HD1 – RELATING TO OHANA ZONES.**

Hearing: Thursday, February 24, 2022, 2:00 p.m.  
VIA VIDEO CONFERENCE

**POSITION:** The Governor's Coordinator on Homelessness supports the intent of this measure, respectfully offers comments, and has concerns regarding the broad exemptions from Hawaii Revised Statutes (HRS) specified in section 1.

The Coordinator defers to the respective executive branch agencies regarding the potential impact of waivers from various statutes regarding historic preservations, the counties, public agency meetings and records, procurement, wages and hours of employees on public works, public lands, conservation and resources, land use, coastal zone management, concessions on public property, expenditure of public money and public contracts, government motor vehicles, and requirements of the Hawaii Community Development Authority (HCDA) and Department of Human Services (DHS).

**PURPOSE:** The purpose of the bill is to expand regulatory exemptions for Ohana Zones pilot program contracts and extend the sunset date for the Ohana Zones pilot program to June 30, 2026. The bill also appropriates funds to the Governor for the Ohana Zones pilot program.

The Coordinator prefers the original language for this bill, and notes the House Committees on Health, Human Services and Homelessness and Housing amended the measure by expanding the regulatory exemptions for Ohana Zones pilot program contracts, like those

previously included in the Governor’s 2015 and 2018 emergency proclamations regarding homelessness.

If this measure proceeds, the Legislature may consider more narrowly tailoring the list of exemptions in section 1 and including clear justification why specific exemptions are needed. The exemptions from HRS provided in the HD1 are broad. For example, the bill exempts Ohana Zones pilot program contracts from the entirety of chapters 346 and 206E, HRS, relating to DHS and HCDA respectively and would also provide exemptions from wage requirements for public works projects and a variety of other regulations. Broad exemptions from these statutes may have unintended consequences adversely impacting the eligibility of Ohana Zones projects for federal funding and operating subsidies.

Notably, the U.S. Department of Housing and Urban Development (HUD) issued [a memo dated May 26, 2020](#)<sup>1</sup> regarding minimum construction standards for permanent housing for persons experiencing homelessness. The HUD memo details criteria that may impact a village or communal housing-type project’s eligibility to be paired with HUD rental assistance subsidies, such as Continuum of Care (CoC) supportive housing subsidies, Tenant Based Rental Assistance (TBRA), Emergency Housing Vouchers (EHVs) or the Section 8 Housing Choice Voucher (HCV) program. One criterion identified in the HUD memo is whether a unit meets local building code. It is unclear how the exemption from Chapter 46, HRS – including county building code regulations – may impact HUD’s determination of whether an Ohana Zone housing project is compliant with the building code. If this measure proceeds, executive branch agencies overseeing Ohana Zones pilot program contracts should consult with HUD to ensure housing units produced pursuant to an Ohana Zones contract will be eligible for HUD rental assistance to maximize utilization of federal funding and ensure more effective use of limited State general funds for housing and homeless services.

As currently drafted, the exemptions from HRS are provided only to Ohana Zones contracts entered by executive branch agencies designated by the Governor and appear limited only to contracts, and not the projects themselves. The Coordinator requests clarification on

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<sup>1</sup> Memo available at: [http://homelessness.hawaii.gov/wp-content/uploads/2022/01/2020497a\\_State\\_PY2019\\_CoC-Minimum-Construction-Stds-Tiny-Homes\\_20200526.pdf](http://homelessness.hawaii.gov/wp-content/uploads/2022/01/2020497a_State_PY2019_CoC-Minimum-Construction-Stds-Tiny-Homes_20200526.pdf).

whether the intent is to limit exemptions only to contracts entered into by executive branch agencies or if the intent is to apply exemptions also to any sub-contracts entered into by a County or other provider for purposes of an Ohana Zones pilot program project. Similarly, the Coordinator requests clarification if the Legislature’s intent is to exempt the actual Ohana Zones projects facilitated through a contract from various provision of HRS, rather than limit exemptions to apply only to a contract or sub-contract.

Continuation of the Ohana Zones pilot program is a priority for the Hawaii Interagency Council on Homelessness (HICH), which is a 27-member advisory council chaired by the Coordinator. Since its establishment in 2018, the Ohana Zones pilot program supported 20 projects statewide. As of November 30, 2021, the Ohana Zones pilot program aided 5,510 homeless individuals statewide, including 1,368 placed into permanent housing.

The [Ohana Zones pilot program](#) provided flexible funding for the State and counties to develop innovate programs reflecting the local needs of specific communities, including rural areas of Hawaii island and Oahu. Based on regional needs, Ohana Zones funding supported expansion of emergency shelter and navigation programs, as well as permanent housing projects for individuals and families transitioning out of homelessness. Examples of Ohana Zones include the [Homeless Outreach and Navigation for Unsheltered \(HONU\)](#) program on Oahu, as well as permanent housing projects such as [Kamaoku Kauhale](#), [Huliau](#), [Kealaula at Pua Loke](#), [Kumuwai](#), and [Hale Maluhia](#). The flexibility of Ohana Zones also enabled the State and counties to rapidly adjust and expand shelter capacity during the COVID-19 pandemic, as demonstrated by the [Ka Lamaku](#) and [Hale Hanakahi](#) projects. The [HICH annual legislative report](#)<sup>2</sup> provides a detailed overview and evaluation of the Ohana Zones pilot program.

The HICH acknowledges Ohana Zones are just one piece of a more comprehensive effort to address homelessness, which includes reducing upfront barriers to accessing rental housing and expanding programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, visit: <https://homelessness.hawaii.gov/advocacy>.

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<sup>2</sup> Report available at: <https://homelessness.hawaii.gov/wp-content/uploads/2021/12/HICH-Report-to-2022-Legislature-FINAL.pdf>

Thank you for the opportunity to testify on this bill.

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)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2512, H.D. 1

**February 24, 2022**  
**2:00 p.m.**  
**Room 308 and Videoconference**

RELATING TO OHANA ZONES

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

House Bill No. 2512, H.D. 1, amends Act 209, SLH 2018, as amended by Act 128, SLH 2019, to extend the 'Ohana Zones Pilot Program's (OZPP) sunset date from June 30, 2023 to June 30, 2026, and provide additional regulatory exemptions to the HRS, including, but not limited to, exemptions to the following sections that relate to the budget and appropriations: Section 37-41, Appropriations to Revert to State Treasury; Section 37-74(d), Program Execution, except for Sections 37-74(d)(2) and 37-74(d)(3); Section 40-66, Lapsing of Appropriations; and Section 103-2, General Fund. This bill also appropriates \$15,000,000 in general funds to the Office of the Governor in FY 23 for OZPP expenses and provides authority to transfer the funds and the respective expenditure authority to designated Executive Branch departments or agencies as necessary to implement OZPP.

B&F notes that while the exemptions related to the budget and appropriations were provided by the emergency proclamations on homelessness, they should not be continued on an indefinite or prolonged basis beyond emergency needs. These



exemptions allow interdepartmental transfers of appropriations and exempt appropriations from reverting to the State treasury and, subsequently, lapsing. Such exemptions may be necessary to facilitate quick action during periods of emergency; however, in general, appropriations should be budgeted and expended in accordance with normal statutory requirements and conform to Section 11 of Article VII of the Constitution of the State of Hawai'i that states that general fund appropriations shall be for specified periods, that no appropriation shall be made for a period exceeding three years, and that unencumbered appropriations or portions thereof shall lapse at the close of the fiscal period for which the appropriations were made.

B&F also 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.

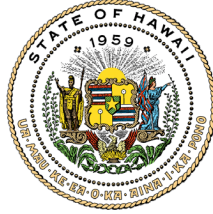
Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- 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 DEFENSE  
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 2512, HD1,  
RELATING TO OHANA ZONES

BEFORE THE HOUSE COMMITTEE ON  
**FINANCE**  
BY

Luke P. Meyers  
Administrator, Hawaii Emergency Management Agency (HI-EMA)

FEBRUARY 24, 2022

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

Thank you for the opportunity to submit testimony to provide **COMMENTS** on HB 2512, HD 1.

House Bill 2512, HD1 expands regulatory exemptions for ohana zones pilot program contracts; extends the sunset date for the ohana zones pilot program to June 30, 2026; and appropriates funds to the governor for the ohana zones pilot program.

The Hawaii Emergency Management Agency (HI-EMA) takes no position on the value of the ohana zone pilot program. However, House Bill 2512, HD 1, expands the regulatory exemptions that would apply to the program, including a new exemption from the provisions of Hawaii Revised Statutes Section 46.

HRS Section 46-1.5 (5)(d) is the provision that gives Hawaii counties the authority to administer the National Flood Insurance Program (NFIP). By exempting the ohana zone pilot program from the provisions of HRS Section 46, House Bill 2512, HD1 jeopardizes the State of Hawaii's and the counties' eligibility and participation in the NFIP.

Flood damage is not covered by typical homeowner's insurance policies. An exemption from HRS Section 46 would potentially remove the primary tool by which the state's homeowners protect themselves from financial losses caused by flooding, including flash floods such as those seen across the state during the storms of March 2021 and the Kona Low storms in December. Such floods can cause tens of thousands or even hundreds of thousands of

dollars in damage to a single home which is not covered unless the property owner has NFIP flood insurance.

The HI-EMA would urge the committee to consider the unintended fiscal and policy consequences of approving this bill with the exemption to HRS Section 46 in place, and consider amending the bill to address the conflict.

Thank you for the opportunity to provide comments on House Bill 2512, HD1.

Luke P. Meyers: [Luke.P.Meyers@hawaii.gov](mailto:Luke.P.Meyers@hawaii.gov); 808-733-4300

# PARTNERS IN CARE

*Oahu's Continuum of Care*

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*Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.*

## TESTIMONY IN SUPPORT HB 2512 HD1 RELATING TO OHANA ZONES

TO: House of Representatives, Committee on Finance

FROM: Partners In Care (PIC)

Hearing: Thursday, February 24<sup>th</sup>, 2022, 2:00pm via videoconference

Position: **SUPPORT**

Chair Luke and Members of the House Committee on Finance:

Partner In Care, Oahu's Continuum of Care, stands in **support** of **HB 2512 HD1 Relating to Ohana Zones**. The programs created through the OHANA Zone funding have brought innovative solutions to address the issue of homelessness. The extension of this funding will enable more programs to be created, reviewed and put into a more permanent place in our continuum of care if they are proven to be effective.

Partners In Care is in support of exemptions that will enable these programs to move quickly to start up. While these exemptions may speed up the process, we need to be cognizant of any exemptions that may jeopardize the safety of the project itself.

Thank you for the opportunity to testify on this measure. Please do not hesitate to contact us if you have any questions.

Aloha



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

From: Heather Henderson, Lead Evaluator  
Collaborative Quality Consulting DBA Focalize

A handwritten signature in black ink, appearing to read 'H. Henderson', is written over the 'From:' field.

Subject: HB 2512-HD1 – Relating to Ohana Zones

Hearing: February, 24, 2022 at 2 pm HST

Position: This Ohana Zones evaluator supports measure HB2512-HD1 to extend the Ohana Zones program until June 30, 2026, and requests that its passage does not replace or adversely impact priorities indicated in the executive budget request.

Purpose: The purpose of this bill is to expand regulatory exemptions for Ohana Zones program contracts, and extends the program to June 30, 2026 with an additional funding.

Thank you very much for an opportunity to testify in support of this measure to extend the Ohana Zones program. As the principal at Collaborative Quality Consulting (also doing business as [Focalize](#)), I am honored to lead the evaluation of the current Ohana Zones pilot program (2018-23), a wildly successful effort which is detailed in [three annual reports](#) (2019-21). In its third year, the Ohana Zones initiative is largely at full implementation, and a strategic win for many reasons:

- The Legislature's invitation to 'try something new' established the Ohana Zones pilot as an innovation laboratory, which is unique on the evidence-driven national landscape.
- Central coordination of funds by the Governor's Coordinator on Homelessness (GCH) allowed the state to reclaim local priorities distinct from the national HUD agenda.
- As the only source of unrestricted funding, Ohana Zones funding provided an opportunity for administrators to redirect money proactively, when needed.
- The establishment of 20 Ohana Zone projects to date demonstrates the superior collaboration of people within the Hawaii homeless service system who exceeded standards of Act 209.
- The administration of all funds across five state offices reflects superior administrative capacity of the GCH, Homeless Programs Office, Department of Health, Office of Youth Services, City and County of Honolulu, Hawaii County, Kauai County, and Maui County governments.
- Direct funding to counties invigorated county-level strategic planning and equitable distribution of funds across government offices promoted new partnerships.

Thus, the Ohana Zones initiative is an important component of solving homelessness in Hawaii, which is especially important in the post-COVID era when the housing crisis is projected to escalate further. If the measure proceeds, this evaluator asks the Legislature to consider refining the broader list of proposed exemptions to ensure that there are no adverse consequences that preclude these projects from eligibility for federal funds and operating subsidies. In particular, it is important that Ohana Zones housing projects are constructed in adherence to the state's building code to ensure all types of support are allowable.

While HB2512-HD1 proposes an extension to Ohana Zones 'pilot', it also invites the Legislature to consider a longer-term commitment to the solution. Homeless services are riddled with time-limited programs, but this short-term approach does not align with the long-term investment required to end homelessness. While deadlines ignite implementation, they also can create limits on sustainability. When budgets are constantly in flux, all aspects of service are destabilized, and great effort is dedicated to maintaining current funding. This becomes an overwhelming distraction to the real work: getting people housed. Consistent financial and regulatory support is required until homelessness in Hawaii is resolved, and this evaluator respectfully asks the Legislature to put it in place. Thank you again for the opportunity to provide testimony for this measure, a critical investment to benefit the people of Hawaii.



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN SUPPORT OF HB 2512 HD1: RELATING TO OHANA ZONES

TO: Representative Sylvia Luke, Chair, Representative Kyle Yamashita, Vice Chair; and Members, Committee on Finance

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

**Hearing: Thursday, 2/24/22; 2:00 PM; via videoconference**

Chair Luke, Vice Chair Yamashita, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in Support of HB 2512, HD1**, which extends the Ohana Zone pilot project for 3 years (to June 30, 2026), and provides \$15 million to fund this pilot. I am Rob Van Tassell, with Catholic Charities Hawaii. We are also a member of Partners In Care (PIC).

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawaii supports extending the Ohana Zone pilot program and providing additional funding, as long as it does not impact funding for other ongoing proven homeless services. During the past 3 years, some Ohana Zone projects only needed one time funding to create housing. Others that provide ongoing services will need continued funding. Twenty projects were created that other federal funding could not address. These projects built on the strengths of the local communities that know their needs. The funding provided an opportunity to respond to these needs in new and creative ways. Working with the counties was an important part of this funding and should be continued.

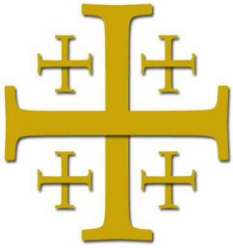
The initial pilot program demonstrated that addressing the issue of homelessness on the local level through Ohana Zone funding was effective. Hundreds of beds were added to the homeless service network, including creative initiatives like tiny homes. As of 11/30/21, 5,510 homeless individuals have been helped statewide, and 1,368 individuals placed into permanent housing.

We urge your support to continue and expand the Ohana Zone program and to fund them for the next 3 years, as proposed in this bill.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.







# ST. MICHAEL THE ARCHANGEL CHURCH

75-5769 Ali'i Drive • Kailua-Kona, Hawaii 96740  
PH: (808) 326-7771 • Email: [stmichaelarchangel@rcchawaii.org](mailto:stmichaelarchangel@rcchawaii.org)  
Website: [stmichaelparishkona.org](http://stmichaelparishkona.org)

February 23, 2022

RE: HB2512 HD1 – SUPPORT

Committee on Finance

Committee Chair Luke, Vice-Chair Yamashita and Members,

HB2512 would extend the funding for Ohana Zones. The Ohana Zones program is currently administered through the Governor's Homelessness Administrator and has been successful in many ways including strengthening the bonds between the state, county, non-profits and others who work with housing and homelessness programs. It has also provided funds for shelters and transitional housing.

We still have a homeless crisis so there is much more work to do. Extending the Ohana Zones funding addresses housing and homelessness issues. Our Catholic diocese non-profits, Catholic Charities Hawaii and Hope Services are working on the front lines with our vulnerable populations to support them and house them. They have been recipients of Ohana Zones funding. We support their efforts. I urge you to vote yes on HB2512 HD1.

Humbly,

*Shirley David*

Shirley David  
Pastoral Council Chair

**ONE CATHOLIC OHANA**

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St. Michael the Archangel *Kailua-Kona* • St. Peter by the Sea *Kahalua'u* • Immaculate Conception *Holualoa* • St. Paul *Kawanui* • Holy Rosary *Kalaoa*

**HB-2512-HD-1**

Submitted on: 2/23/2022 1:42:19 PM

Testimony for FIN on 2/24/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Toni Symons- HAPI	Na Kahua Hale O Ulu Wini	Support	No

Comments:

Strong support of Ohana Zones! We provide these much needed services in West Hawaii at the Family Assessment Center located at Ulu Wini Housing.



# HAWAI‘I APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

## **SUPPORTING HB2512 HD1** – RELATING TO OHANA ZONES

Conference Room 308 Via Videoconference

Thurs, February 24th, 2022 at 2:00PM

Aloha Chair Sylvia Luke, Vice Chair Kyle Yamashita, and members of the finance committee,

Thank you for the opportunity to stand **in strong support of HB2512 HD1.**

We appreciate the appropriation of funds to assist our houseless community members and want to emphasize that the exemptions in this bill for community housing are absolutely critical.

Without these exemptions and streamlined approval measures the cost of transitional housing will be significantly higher, even as much as double the cost according to some developers. **More importantly, many projects will simply never be completed due to delays.**

This bill will enable faster and more affordable home building for our houseless community members.

Mahalo for the opportunity to testify in support of this important bill.





Inspiring Hope, Changing Lives

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Connect via email: [info@hopeserviceshawaii.org](mailto:info@hopeserviceshawaii.org)

HOPE Help Line: 808-935-3050

**TESTIMONY IN SUPPORT OF HB 2512: RELATING TO 'OHANA ZONES.**

TO: Committee Chair, Vice-Chair and Members  
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.  
Hearing: FIN on Thursday, 02-24-22 at 2:00

Aloha,

My name is Brandee Menino and I am the CEO of Hope Services Hawai'i. Our agency is Hawai'i Island's largest nonprofit homeless services provider, and has had success in serving our most vulnerable neighbors using 'ohana zones funding. This could not have happened without our partnership with the governor's office, whose approval allowed us to expedite the process, and begin offering services as quickly as possible. We appreciate the legislature's innovation in establishing the 'ohana zones program, and commitment to its continued success.

We appreciate the opportunity to testify in **support of HB 2512 HD1**, which would extend the sunset date for the 'ohana zones pilot program to June 30, 2026, and appropriate funds to the governor for the 'ohana zones pilot program, and which includes **the following exemptions (with highest priorities in bold)**, to ensure that construction can be completed in a timely manner:

- (1) **Chapter 6E, Hawaii Revised Statutes, historic preservation;**
- (5) **Chapter 46, Hawaii Revised Statutes, county organization and administration as any county ordinance, rule, regulation, law, or provision in any form applies to any county permitting, licensing, zoning, variance, processes, procedures, fees, or any other requirements that hinder, delay, or impede the purpose of this Act;**
- (11) Section 103-53 Hawaii Revised Statutes, contracts with the State or counties; tax clearances, assignments;
- (12) Section 103-55 Hawaii revised Statutes, wages, hours, and working conditions of employees of contractors performing services
- (13) **Chapter 103D Hawaii Revised Statutes, Hawaii public procurement code;**
- (14) Chapter 103F Hawaii Revised Statutes, purchases of health and human services;
- (15) **Chapter 104 Hawaii Revised Statutes, Wages and hours of employees on public works;**



- (18) Chapter 171 Hawaii Revised Statutes, public lands;
- (19) Chapter 205 Hawaii Revised Statutes, Land use commissions;
- (20) Chapter 205A Hawaii Revised Statutes, coastal zone management;
- (22) Chapter 343 Hawaii Revised Statutes, Environmental impact statements;
- (23) Chapter 346 Hawaii Revised Statutes, Social services;
- (24) Section 464-4 Hawaii Revised Statutes, public works required to be supervised by certain professionals;

Mahalo nui for considering our testimony **in support of HB2512 HD1 with the aforementioned exemptions.**

Sincerely,



Brandee Menino,  
Chief Executive Officer

**HB-2512-HD-1**

Submitted on: 2/22/2022 11:25:07 AM

Testimony for FIN on 2/24/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jared Watumull	Individual	Support	No

Comments:

The Ohana Zone program has shown it works. Please renew it.

## HB 2512 HD 1 TESTIMONY

To: House Committee on Finance  
Hearing on Feb. 24, 2022 at 2:00 p.m.

From: John Kawamoto

Position: Support

Housing prices have steadily increased for decades in Hawaii, while wages have stagnated. Fewer and fewer people can afford housing, and as a result, homelessness has continued to grow. This bill provides housing for homeless people by extending the Ohana Zones pilot project for three years and appropriating funds for it.

Thomas Jefferson once said, "The measure of society is how it treats the weakest members." This bill elevates our entire society.



**HB-2512-HD-1**

Submitted on: 2/23/2022 9:52:31 AM

Testimony for FIN on 2/24/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Sterling Higa	Individual	Support	No

Comments:

Addressing our housing crisis requires bold action. I applaud our lawmakers for amending this bill to include exemptions which will speed the construction of units to house those in need. I urge you to support the bill.

**HB-2512-HD-1**

Submitted on: 2/23/2022 9:47:51 PM

Testimony for FIN on 2/24/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Arjuna	Individual	Support	No

Comments:

Without these exemptions and streamlined approval measures the cost of transitional housing will be significantly higher, even as much as double the cost according to some developers. More importantly, many projects will simply never be completed due to delays. This bill will enable faster and more affordable home building for our houseless community members.