

DAVID Y. IGE
GOVERNOR



EXECUTIVE CHAMBERS
HONOLULU

February 1, 2022

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Human Services

The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing

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

SUBJECT: **SB 3018 – RELATING TO HOMELESSNESS.**

Hearing: Tuesday, February 1, 2022, 1:00 p.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator on Homelessness supports the intent of this measure, respectfully offers comments, and defers to the Department of the Attorney General and respective executive branch agencies regarding the potential impact of waivers from various statutes regarding procurement, collective bargaining, lapsing of appropriations, public agency meetings and records, county ordinances, historic preservation, land use, environmental impact, public lands, coastal zone management, concessions on public property, and requirements of the Hawaii Community Development Authority (HDCA) and Department of Human Services (DHS).

If this measure proceeds, the Coordinator requests that its passage does not replace or adversely impact priorities indicated in the executive budget request.

PURPOSE: The purpose of the bill is to require the Hawaii Housing Finance and Development Corporation (HHFDC) to establish the Kauhale program to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or who are homeless and do not meet the definition of chronically homeless due to a stay in temporary housing or because a temporary housing

voucher has expired. The bill requires annual reporting to the Legislature and makes an appropriation for fiscal year 2022-2023 for the establishment and administration of the Kauhale program.

The Coordinator agrees there is a critical need to develop and scale low-income housing projects, such as the recently completed [Kamaoku Kauhale](#) Ohana Zone project, to meet the needs of individuals and families experiencing homelessness. In December 2021, the Hawaii Interagency Council on Homelessness (HICH) – a 27-member advisory council chaired by the Coordinator – adopted policy priorities for the 2022 legislative session, including a specific focus on promoting affordable housing for people transitioning from homelessness. The Coordinator notes two administration bills – [SB3108](#) and [HB2140](#) – propose to extend and expand the similar Ohana Zones pilot program for projects including low-income housing that incorporate tiny homes and communal housing design. In addition to Kamaoku Kauhale, other Ohana Zone projects that provide low-cost housing for homeless individuals include [Kealaula at Pua Loke](#), [Huliau](#), [Kumuwai](#), and [Hale Maluhia](#). The [HICH annual legislative report](#)¹ provides an overview of the Ohana Zones program.

As currently drafted, the target population of the Kauhale program is unclear. Page 2, line 14 to page 3, line 4 includes a definition of the target population that appears to conflict with language on page 11, lines 16-20. Specifically, one section describes the target population as including individuals who “[a]re currently homeless, but do not meet the definition of chronically homeless due to a stay in temporary housing or a temporary housing voucher which has since expired” and another section defines “Kauhale” as being restricted to serve “homeless individuals and families who meet the definition of chronically homeless, as defined by the United States Department of Housing and Urban Development.” The Coordinator notes that restricting the program to serve chronically homeless individuals may add to overall program costs due to the higher level of care and supportive services required to meet the needs of individuals with acute physical and behavioral health needs. For example, supportive housing programs administered by the City & County of Honolulu pay \$800 per month per

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

household for case management services in addition to rental subsidy costs. If this measure proceeds, the Coordinator suggests expanding the target population of Kauhale to include individuals and families experiencing homelessness and not specifically chronic homelessness.

The Coordinator notes the U.S. Department of Housing and Urban Development (HUD) issued [a memo dated May 26, 2020](#)² regarding minimum construction standards for permanent housing for persons experiencing homelessness. The HUD memo details criteria that may impact a Kauhale-type housing 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. If this measure proceeds, the executive branch agency overseeing the Kauhale program should consult with HUD to ensure Kauhale housing units are eligible for HUD rental assistance to maximize the utilization of federal funding and ensure more effective use of limited State general funds for housing and homeless services.

The Coordinator further notes the Oahu Continuum of Care (CoC) – Partners in Care – has expressed concern that because Kauhale is defined as permanent housing, a homeless individual who enters such housing will lose 'chronic homeless' status and may become ineligible for other housing programs available through the CoC. Accordingly, the Coordinator respectfully suggests the advisory committee described in this bill include representatives from the two Hawaii CoCs – Partners in Care for Oahu and Bridging the Gap for the neighbor islands.

The development of low-income housing through Kauhale and similar programs is just one piece of a more comprehensive effort to address homelessness and housing stability. In addition to prioritizing low-income housing development, the HICH has prioritized implementation of shallow rental subsidies, addressing policies to reduce upfront barriers to 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>.

Thank you for the opportunity to testify on this measure.

² Memo available at: http://homelessness.hawaii.gov/wp-content/uploads/2022/01/2020497a_State_PY2019_CoC-Minimum-Construction-Stds-Tiny-Homes_20200526.pdf.



OFFICE OF THE LIEUTENANT GOVERNOR

STATE OF HAWAII

STATE CAPITOL

HONOLULU, HI 96813

TO: Senate Committee on Housing
Senate Committee on Human Services
Hawaii Senate

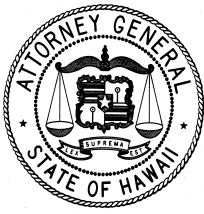
FROM: Josh Green
Lieutenant Governor
State of Hawaii

DATE: January 31, 2022

RE: Testimony in Support of SB3018

Thank you for hearing SB3018. I would like to express my strong support, and respectfully ask the Committees to pass this measure. The bill seeks to address the longstanding homelessness crisis through the creation of the Kauhale housing program, which will create small villages of tiny homes with communal kitchens and hygiene areas that can be built at a lower per unit cost. Each Kauhale will have also have supportive social and health services that are integrated with provider communities.

As we have seen with the successful construction of the Kama'okū Kauhale in Kalaeloa, these tiny home communities can be built on available land for reasonable per unit costs, and provide homes and supportive services for those most in need. I hope the Committees will consider the success of the Kama'okū Kauhale in Kalaeloa an example to replicate, and pass this measure.



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

ON THE FOLLOWING MEASURE:

S.B. NO. 3018, RELATING TO HOMELESSNESS.

BEFORE THE:

SENATE COMMITTEES ON HOUSING AND ON HUMAN SERVICES

DATE: Tuesday, February 01, 2022 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 225, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General, or
Sandra A. Ching, Deputy Attorney General

Chairs Chang and San Buenaventura and Members of the Committees:

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

This bill establishes a kauhale program under the Hawaii Housing Finance and Development Corporation (HHFDC) to provide housing and services to homeless individuals and families who meet the definition of chronically homeless or are currently homeless. In addition to providing individual or shared micro housing units and services, HHFDC is required to cooperate with any state departments or agencies and private nonprofit organizations to expedite the development and operation of housing under the kauhale program and may coordinate with public or private entities to develop and implement the kauhale program.

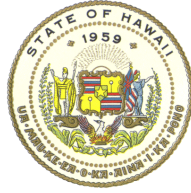
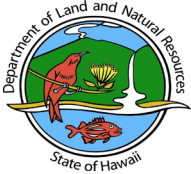
The bill on page 7, lines 7-11, exempts appropriations by the Legislature for the kauhale project from (i) section 37-41, Hawaii Revised Statutes (HRS), which requires remaining unexpended and unencumbered funds at the close of any fiscal year to lapse and return to the general fund; (ii) section 37-74(d)(1), HRS, which requires that no appropriation transfers or changes between programs or agencies be made without legislative authorization provided that authorized transfers or changes, when made, be reported to the Legislature; and (iii) section 40-66, HRS, which provides that appropriated moneys for any fiscal period, and which are not expended during the period, shall lapse unless encumbered by a contract. Article VII, section 11, of the

Hawai'i State Constitution, however, requires that all appropriations of general funds shall be for specified periods; that no appropriations shall be made for a period exceeding three years; and that "[a]ny such appropriation or any portion of any such appropriation that is unencumbered at the close of the fiscal period for which the appropriation is made shall lapse." We suggest amending the bill to remove kauhale project appropriations exemptions from section 37-74(d)(1), HRS, and section 40-66, HRS.

Further, the bill on page 9, lines 5-7, in part, exempts the kauhale program from the requirements of section 103-2, HRS, which requires that all revenues of the State or any agency thereof not specifically appropriated to other purposes be deemed to be general realizations of the State's general fund. The purpose and the desired effect of this exemption with respect to the kauhale program are unclear from the text of the bill. We suggest that the Committees review the exemption and explain the exemption's purpose and desired effect in their standing committee reports in order to provide evidence of the legislative intent.

Thank you for the opportunity to provide these comments.

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 Senate Committees on
HUMAN SERVICES
and
HOUSING**

**Tuesday, February 1, 2022
1:00 PM
Conference Room 225 & Via Videoconference**

**SENATE BILL 3018
RELATING TO HOMELESSNESS**

Senate Bill 3018 proposes to require the Hawaii Housing Finance and Development Corporation (HHFDC) to establish a Kauhale Program to provide housing units and services to homeless individuals and families who meet the definition of chronically homeless or who are currently homeless. The exempts development of the housing units from most environmental laws. **The Department of Land and Natural Resources (Department) opposes this bill.**

The Department appreciates the need for a permanent housing program to address homelessness. The Department however, prefers Senate Bill 3168 as the vehicle to address this need.

The Department cannot support the permanent exemption of Kauhale from almost all state environmental laws. These laws exist to protect the environment, and to allow the public an opportunity to know about and comment on any environmental effects that they care about. Hawaii is undergoing an existential crisis with regard to its endangered bird species, it is facing a clean water crisis at Red Hill, several of our most popular beaches have too many days of high bacterial counts, and climate change will continue to challenge the environment as we know it. Under these circumstances, the department cannot support permanently exempting the Kauhale program from environmental laws as currently written.

Thank you for this opportunity to comment on this measure.

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

ROBERT K. MASUDA
FIRST DEPUTY

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



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 1, 2022, at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 3018
RELATING TO HOMELESSNESS.

HHFDC opposes S.B. 3018, which requires HHFDC to establish a Kauhale program to provide individual or shared micro housing units to serve the chronically homeless.

HHFDC's primary financing tool is the LIHTC program, which has been responsible for delivering thousands of low-income rental units throughout the state. The LIHTC program has been focused on assisting households earning 30% - 60% of the area median income. Diverting this resource may have adverse consequences on this population, especially in light of the limited private activity bond cap available to make this financing tool work.

A more suitable alternative would be for this program to fall under the Hawaii Public Housing Authority (HPHA) as the target market it currently serves is more aligned with this population and it can access powerful tools, like the U.S. Department of Housing and Urban Development's (HUD's) RAD program. The Rental Assistance Demonstration or RAD program is designed to preserve and improve public housing properties and address the \$26 billion-dollar nationwide backlog of deferred maintenance. RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. It is our understanding that HPHA has used this tool for re-developing public housing at the Kuhio Park Terrace.

Other appropriate sources of gap financing aimed at assisting the homeless are the HOME fund and Housing Trust Fund, which are administered by the counties. Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) appropriated \$5 billion for the HOME Investment Partnerships Program (HOME) for the purpose of providing homelessness assistance and supportive services.

HHFDC could assist in this effort to build permanent supportive housing by helping HPHA design their RFPs for these projects while they work with their sister agencies to secure the necessary mental health and support services since the Department of Human Services has the knowledge and experienced personnel for this type of endeavor. HPHA currently manages and maintains public housing projects. HHFDC's strength lies in working with the private sector to finance their projects, master planning state lands to prepare them for development, or facilitating development through its 201-H expedited permitting powers.

We would also like to note that there is a typographical error in the bill on page 12, lines 6-7 which states, "Hawaii housing development corporation" and should read "Hawaii housing **finance and** development corporation".

Thank you for the opportunity to testify.

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII
NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
TELEPHONE: 808-586-1400 FAX: 808-586-1412
EMAIL: oip@hawaii.gov

To: Senate Committees on Housing and on Human Services

From: Cheryl Kakazu Park, Director

Date: February 1, 2022, 1:00 p.m.
State Capitol, Conference Room 225 and Via Videoconference

Re: Testimony on S.B. No. 3018
Relating to Homelessness

Thank you for the opportunity to submit testimony on this bill, which would require the Hawaii Housing Finance and Development Corporation (HHFDC) to establish a kauhale program to provide individual or shared micro housing units and services to homeless individuals and families. The Office of Information Practices (OIP) takes no position on the substance of the bill, but offers comments regarding a proposed exemption from chapter 92, HRS, part 1 of which is the Sunshine Law, found on bill page 7, lines 12-16.

This provision would exempt HFDC meetings “from the requirements of chapter 92, to the extent that any notice requirements or any other provisions of chapter 92 may delay the expeditious action, decision, or approval of the corporation for the purposes of this section.” It is not clear what the exemption would mean for the Sunshine Law’s requirements. Since the exemption would not exempt HHFDC from the law for its consideration of other issues, would HHFDC need to schedule a meeting with the kauhale program as the only item on the agenda, which could then be held on fewer than six days’ notice if six days was too long to wait for an expeditious action or decision? Would HHFDC members be able to make an

immediate commitment to vote during a permitted interaction outside a meeting when the law would otherwise require that such commitments be saved for the next meeting, or make a decision by an email poll of members (which the Sunshine Law would not otherwise allow) so that the kauhale program could move forward more expeditiously? Would HHFDC be exempted from posting timely minutes if doing so would delay staff's work on the kauhale program? **OIP has concerns about whether there is truly a need for such an exemption – whether the Sunshine Law and other parts of chapter 92 are truly preventing the HHFDC from expeditious action on the matters that come before it – and about the difficulty of implementing and interpreting so vague and subjective an exemption.**

OIP also notes that while it administers only part I of chapter 92, the Sunshine Law, there may be similar challenges in determining how this exemption would apply to other portions of chapter 92, such as the default quorum provision in section 92-15 or the authorization to charge copy fees for government records in section 92-21. If it is only the Sunshine Law that the exemption is being applied to, then the bill should be amended to only refer to **part I of chapter 92.**

OIP recommends deletion of proposed subsection 201H-__ (i) on bill page 7, lines 12-16. Alternatively, OIP would be happy to work with this Committee and interested parties to understand the concerns behind this proposed exemption and offer language to better address them.

Thank you for considering OIP's testimony.

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 SENATE COMMITTEES ON HUMAN SERVICES AND HOUSING
ON
SENATE BILL NO. 3018

February 1, 2022
1:00 p.m.
Room 225 & Videoconference

RELATING TO HOMELESSNESS

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

Senate Bill No. 3018 establishes a new Kauhale Program, under the administration of the Hawai'i Housing Finance and Development Corporation (HHFDC); requires reports to the Legislature; and appropriates an unspecified amount of general funds in FY 23 to establish and administer the program. The program would provide individual or shared micro housing units and services to homeless individuals and families who meet homeless definitions as defined by the United States Department of Housing and Urban Development. B&F defers to HHFDC on the agency's capacity to administer the Kauhale Program and any other proposed impacts to the agency.

B&F notes that 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:

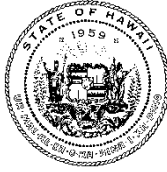
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support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

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
HUMAN SERVICES
AND
HOUSING

February 1, 2022, 1:00 PM

SENATE BILL 3018
RELATING TO HOMELESSNESS

Chairs San Buenaventura and Chang, Vice Chairs Ihara and Kanuha, and members of the committees, thank you for the opportunity to submit testimony on Senate Bill 3018. The State Procurement Office (SPO) opposes the exemption language on page 7, SECTION 2, lines 1 to 4 of the bill as follows:

“(f) Contracts, leases, or agreements of sale entered into by the corporation pursuant to the kauhale program shall be exempt from the requirements of chapters 103D, 103F, and 104 and any county codes related to procurement.”

The SPO objects to the procurement exemption and testifies that **contracts, leases, or agreements of sale entered into by the corporation pursuant to the kauhale program** should be conducted within the procurement code, as applicable.

Chapter 103D, Hawaii Revised Statutes (HRS), Hawaii Public Procurement Code (Code), is the State's single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure, and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both Chapter 103D and Chapter 103F, HRS, conveys a sense of disproportionate equality in the law's application.

Exemptions to the Code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the Code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies, are removed from the state's procurement Code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

TESTIMONY IN SUPPORT OF SB 3018

TO: Chair San Buenaventura, Vice-Chair Ihara, & Human Services Committee Members
Chair Chang, Vice Chair Kanuha, & Housing Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: February 1, 2022 (1:00 PM)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 3018, which requires the Hawaii Housing Finance and Development Corporation to establish the kauhale program to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or are currently homeless.

Kauhale housing projects have proven to be a useful mechanism to address unsheltered homelessness in recent years, particularly in under resourced rural areas of our state. HHRC Executive Director Heather Lusk currently serves as Board Chair of [Partners in Care O'ahu](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's continuum of care for homeless persons.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawaii and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.

PARTNERS IN CARE

Oahu's Continuum of Care

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

TESTIMONY IN SUPPORT ON SB 3018 RELATING TO HOMELESSNESS

TO: Senate Committee on Human Services and the
Senate Committee on Housing,

FROM: Partners In Care (PIC)

Hearing: Tuesday, February 1st, 2022, 1:00pm via videoconference

Position: **SUPPORT**

Chair San Buenaventura, Chair Chang and Members of the Senate Committee on Human Services and Members of the Senate Committee on Housing :

Partners In Care, Oahu's Continuum of Care, stands in support of **SB 3018 RELATING TO HOMELESSNESS**. A Kauhale is a traditional, cultural model of housing that creates a community through the clustering of homes. Over the last several years, the concept of tiny homes that are built with community in mind for those experiencing homelessness have been built across the country. There are several examples of the Kauhale already in place here in Hawaii. These small homes require minimal land to accommodate many individuals and build upon the skills of those living in the community.

The Hawaii community has a strong sense of family and community yet we have one of the highest rates of homelessness in the country. These villages will enable many to be able to pay for a small space they can call their own.

While we support this measure and the concept of Kauhale, we suggest that we continue to work on details pertaining to permitting, land and rules and regulations from local, state and federal partners. Partners In Care continues to work with HUD and other stakeholders to recognize the importance of the many different ways that Hawaii can assist those experiencing homelessness.

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

Aloha

Testimony of The Michaels Organization | Michaels Development – Hawai`i Region
SB 3018 RELATING TO HOMELESSNESS
Tuesday, February 1, 2022
Joint Senate Committees on Human Services and Housing

Michaels Development is one of the nation’s largest affordable housing developers in the United States. We have built affordable housing communities in 35 states along with Washington D.C. and the US Virgin Islands. We have developed over 55,000 units in over 425 communities along with providing on-site management. Finally, we have a partnership with a non-profit social services organization, who has an on-site presence at all of our properties, to ensure our residents succeed.

First off, we would like to thank the introducers of this bill and the Chairs of Human Services and Housing for hearing this measure. As homelessness continues to pervade our communities, we must find real solutions to lift our homeless from poverty and the situation they find themselves in. While SB 3019 attempts to do this, unfortunately, the mechanism which is proposed, will only hurt the affordable housing industry as a whole in Hawaii. As such, we must respectfully submit this testimony in opposition.

SB 3018 proposes to establish the kauhale program within the Hawaii Housing and Finance Development Corporation (HHFDC), to provide micro housing units and services to homeless individual and their families. While the intent is certainly laudable, setting up a new program within HHFDC creates a new set of problems for affordable housing – namely this bill will divert funding from Low Income Housing Tax Credits (LIHTC) which affordable housing developers need in order to make our projects “pencil out.”

As Michaels was involved with redevelopment of the Towers at Kuhio Park and now the low rises, I would like to respectfully request that this bill be amended to allow Hawaii Public Housing Authority (HPHA), along with the Department of Human Services (DHS), as the implementing agencies. HPHA has the type of financing mechanisms that would support a program like this. Moreover, DHS should be involved because we want to ensure that those who are homeless, have the services they need.

Thank you for the opportunity to submit testimony.



SENATE COMMITTEE ON HUMAN SERVICES
SENATE COMMITTEE ON HOUSING
Tuesday, February 1, 2022, 1 pm, Conference Room 225 & Videoconference
SB 3018
Relating to Homelessness

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Buenaventura, Chair Ihara, and Committee Members:

The League of Women Voters of Hawaii believes the public should have the right to notice, the right to attend, and the right to comment at board meetings which concern public projects. We oppose any exemption for the kauhale program from Chapter 92, Hawaii Revised Statutes.

Thank you for the opportunity to submit testimony.

**OPPORTUNITY
YOUTH
ACTION HUI**

1 February 2022

Senate Committees on Housing and Human Services

Hearing Time: 1:00 p.m.

Location: Virtual

Re: SB 3018, Relating to Homelessness

Aloha mai e Chairs Chang and San Buenaventura, Vice-Chairs Kanuha and Ihara and members of the Committees:

We are writing in **support** of SB 3018, relating to homelessness. This requires the Hawaii housing finance and development corporation to establish the kauhale program to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or are currently homeless.

We are in support of the cultural model of housing consisting of tiny homes clusters and communal areas for restrooms, cooking, and gathering. We believe in the program which is meant to foster a sense of community and ownership among their formerly homeless residents. The Opportunity Youth Action Hui is especially concerned about homelessness among youth, with research showing that youth aged 12–17 are at higher risk than adults of becoming homeless. According to a recent report, transition-aged youth between 18 and 24 years are one of the fastest growing homeless populations. Homeless youth often do not receive adequate services. They may not meet shelter admission policies, and, at times, there is a lack of bed space for youth. Although homeless young adults can use shelter services, services may not always be a good fit for the needs of the transitioning population. This bill is an important step among many that need to be taken to address homelessness in our community. We ask that you support it.

The Opportunity Youth Action Hui is a collaboration of organizations and individual committed to reducing the harmful effects of a punitive incarceration system for youth, promoting equity in the justice system, and improving and increasing resources to address adolescent and young adult mental health needs.

We seek to improve the continuity of programs and services for youth and young adults transitioning from minor to adult status; eliminate youth houselessness and housing market discrimination against young adults; and promote and fund more holistic and culturally-informed approaches among public/private agencies serving youth.

Please support SB 3018.

SB-3018

Submitted on: 1/28/2022 8:18:28 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Ann S Freed | Individual | Support | No |

Comments:

Aloha Chair San Buenaventura, Chair Chang and members,

To me this has the most promise to make a dent in shortage of truly affordable housing in Hawai`i.

With the housing crisis ongoing and the gap between the wealthy and the very poor measures such as this one are sorely needed.

Mahalo, Ann S. Freed, Life-time activist in Mililani

SB-3018

Submitted on: 1/29/2022 1:09:52 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Dara Carlin, M.A. | Individual | Support | No |

Comments:

Stand in support.

SB-3018

Submitted on: 1/30/2022 11:11:34 AM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Shannon Rudolph | Individual | Support | No |

Comments:

Support

Bill: Senate Bill 3018
Title: Relating to Homelessness
Position: SUPPORT
Committees: Housing / Human Services
Date: February 1, 2022 1:00 pm

Aloha Honorable Chairs, Vice Chairs, and Committee Members,

My name is Vickie Parker Kam and I have been a resident of Hawaii for 43 years and in public education for 30 years. I am writing in support of SB3018 which requires the Hawaii housing finance and development corporation to establish the Kauhale Program to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or are currently homeless.

Over the decades, the homeless population has expanded and our citizens are suffering. Working with students experiencing homelessness is heartbreaking. These keiki deserve hope and structure to their lives. The Kauhale concept is a traditional, cultural model of housing with tiny home clusters and a communal areas for restrooms, cooking, and gathering. Kauhale are meant to foster a sense of community and ownership among their formerly homeless residents. This is exactly the type of program that would allow my students experiencing homelessness to feel supported and help families learn the skills needed to take the next step into permanent housing.

Another reason I support SB3018 is the bill requires reports to the legislature which will allow for monitoring of the program and adjustment as necessary for the future.

Mahalo Nui Loa,
Vickie Parker Kam
Educator, Ilima Intermediate
HSTA Board of Director (speaking as an individual)
Makakilo/Kapolei Resident

SB-3018

Submitted on: 1/31/2022 7:59:32 AM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Elton Wong | Individual | Oppose | No |

Comments:

Dear Legislature,

I oppose SB 3018.

There are already other County and State agencies focused on the Homeless.

HHFDC already has a mission for affordable housing that still has much work to do. Why take their attention away from that mission and dilute their effectiveness. The mission for affordable housing is far from being solved when you look at the housing studies that show the needs in tens of thousands units. Affordable housing production is needed for Hawaii residences to prevent them from slipping into homelessness.

Homelessness is a complicated issue where the needs include social services and other agency support. Those agencies like public housing would be better tasked rather than having too many chefs in the kitchen.

Let HHFDC focus on affordable housing rather than homeless housing.

Thank you,



January 31, 2022

Hawaii State Legislature
Senate Committee on Human Services and Senate Committee on Housing
Attn: Chairs San Buenaventura and Stanley Chang

Subject: SB 3018 Relating to Homelessness, Hearing February 1, 2022 at 1:00pm, State Capitol, Room 225

Aloha Chair San Buenaventura, Chair Chang and Members of the Senate Committees on Human Services and Housing. EAH Housing appreciates the opportunity to submit comments in opposition to SB 3018 which requires HHFDC to create a Kauhale program to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or are currently homeless.

As a non-profit developer and manager of low-income rental housing EAH is in opposition because HHFDC is our only source of Low-Income Housing Tax Credits, Private Activity Bonds and Rental Housing Revolving Funds. These financing programs are already over-subscribed each year, meaning there are more projects applying for financing than bonds and funds available.

It is not that we do not recognize the need to provide housing, and just as important, critical services to this lower income group. We serve those from 30% to 60% of the area median income, have developed micro housing units in Kakaako and are very familiar with the housing needs of the State. We believe the Kauhale program may be more appropriately placed under the Hawaii Public Housing Authority in conjunction with the Department of Health.

Thank you for the opportunity to testify.

Sincerely,

Kevin R. Carney, RB-16444
(PB), NAHP-E
Vice President, Special Projects, Hawaii

January 31, 2022

Honorable Stanley Chang, Chair
Honorable Dru Mamo Kanuha, Vice Chair
and Committee Members, Senate Committee on Housing

Honorable Joy A. San Buenaventura, Chair
Honorable Les Ihara, Jr., Vice Chair
and Committee Members, Senate Committee on Human Services
Hawaii State Capitol
Honolulu, Hawaii 96813

Dear Senator Chang, Senator San Buenaventura, and Committee Members:

SUBJECT: SB 3018 Relating to Homelessness

I am writing to request your consideration for **amendment** of Senate Bill 3018 that proposes to establish a *kauhale* program within the Hawaii Housing Finance and Development Corporation to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or are currently experiencing homelessness.

As a founding board member and director of HomeAid Hawaii, Stanford Carr Development participated in a leadership role and constructed two homes within the 37 tiny home structures of the *Kamaoku* *kauhale* project located on Hawaii Public Housing Authority (HPHA) land and leased to U.S. Vets for the programmatic operations. We fully appreciate and understand first-hand the collaborative effort required to properly address the comprehensive housing and human services needs of chronically homeless households. While a cultural model of housing is fitting and proven by *Kamaoku*, much more than a housing agency is necessary to address the behavioral and mental health complexities associated with homelessness. It takes a village.

Given that the Department of Human Services (DHS) includes the functions of human services with HPHA and the Hawaii Interagency Council on Homelessness attached to the department, it is **recommended** to redirect the lead agency to HPHA and include the program resources and expertise of DHS and the Department of Health, Behavioral Health Administration. Both state departments are partially funded by the U.S. Department of Housing and Urban Development with block grants available to implement and sustain long-term rental subsidies, to deliver life skills training, and to provide mental health care. An additional opportunity to leverage state and federal dollars is available if the counties are invited to collaborate.

Honorable Stanley Chang, Chair
Honorable Dru Mamo Kanuha, Vice Chair
Honorable Joy A. San Buenaventura, Chair
Honorable Les Ihara, Jr., Vice Chair
Page 2

January 31, 2022

Like *Kamaoku* – future kauhale projects will require substantial financial resources and collaborative program efforts to completely address the complexities of homelessness. Please consider this recommendation from someone who supported the kauhale concept from its inception.

Thank you for the opportunity to share my experiences and perspective.

Respectfully,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr', written over a large, light-colored circular scribble or stamp.

Stanford S. Carr

SB-3018

Submitted on: 1/31/2022 3:24:44 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|-------------------------------|---------------------------|-----------------------------------|
| Nani Medeiros | Testifying for HomeAid Hawaii | Support | No |

Comments:

REQUEST: This testimony is submitted after the 24-hour "prior to hearing" deadline so the zoom option is disabled on the capitol website. I would like to be able to join via zoom if possible. Mahalo for your consideration.

Aloha Chairs, Vice-Chairs, and members of the committees. My name is Nani Medeiros and I am the Executive Director of HomeAid Hawaii, a 501(c)3 nonprofit working to help end homelessness in Hawaii. My apologies for submitting late testimony. I am currently traveling out of state and received notice of the hearing less than 24 hours prior to the scheduled time. If it is possible for me to join via Zoom to deliver oral testimony and be available for questions I would appreciate it.

HomeAid Hawaii worked with the State of Hawaii to develop and build the state's first master-planned kauhale, Kama'okū, in direct response to our homelessness crisis. Built under the Governor's final emergency proclamation, Kama'okū is comprised of 37 furnished tiny homes with lanais; a community center that offers bathrooms, showers, laundry facilities, a medical clinic, community lounge, commercial kitchen, and storage; community farm beds; open green spaces with curated landscaping and Native Hawaiian trees; a covered pavilion furnished to accommodate 60 people; and a small cabana for outdoor BBQs. Supportive on-site services and property management is provided by non-profit service providers contracted by the Hawaii Public Housing Authority and State Department of Human Services.

The homes are approximately 100 sq. ft. with covered lanai, electricity, and come fully furnished. Cost to build the homes (excludes furnishings) was approximately \$22K. The state contribution to Kama'okū was about \$1.8 million. Donations from HomeAid Hawaii to build and furnish Kama'okū are upwards of \$2.5 million (includes in-kind contributions, professional services, labor, materials, and cash donations.)

Within the build environment we created direct income and revenue generating opportunities for the residents of Kama'okū individually and the community/project at-large. These include the use of the commercial kitchen, open air cabana, community farming, and open space for future expansion and use.

We support efforts to create a state supported, state-wide kauhale program. We have received inquiries from organizations and government officials in all counties since the completion of Kama'okū.

Important things to consider as you take action on SB 3018:

- Placement of the kauhale program in the appropriate agency
- Authority of the agency to execute the directive of the kauhale program
- Flexibility in defining "chronic homelessness" or allowing kauhale for a broader definition of "homelessness"
- State, city, and private sector support for meeting infrastructure requirements of kauhale
- Incentives for private landowners interested in building kauhale
- Less administrative burden and expedited regulatory and legal review processes for kauhale projects

There were over 400 individuals and companies who donated their time to volunteer at Kama'okū. The support for the kauhale model amongst our community members is astounding and humbling. We ask that you pass this measure out of committee and support a program that creates the one thing absolutely necessary to end homelessness: permanent housing and community.

Mahalo,

Nani Medeiros

Executive Director, HomeAid Hawaii

(808)497-1106

SB-3018

Submitted on: 1/31/2022 1:55:24 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Tami Whitney | Individual | Support | No |

Comments:

Dear Human Services Committee and the Housing Committee,

I am in very strong support of this measure.

Thank you for the opportunity to submit testimony on SB 3018.

Sincerely,

Tami Whitney

SB-3018

Submitted on: 1/31/2022 3:19:45 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Barbara Penn | Individual | Support | No |

Comments:

Aloha. I am in support of SB3018. We need to have a Kauhale Program on every island. We here on Kauai have been working towards this goal for some time now. Many non profits are willing to help bring this to a reality. Houselessness is not a crime, but a curable disease.

Barbara Penn

Wailua, Kauai



808.782.8248 | info@hualoha.org | www.hualoha.org

January 31, 2022

Hawaii State Senate
Committees on Human Services & Housing
415 South Beretania Street
Honolulu, HI 96813
Submitted electronically via <https://capitol.hawaii.gov>

Re: SUPPORT for SB3018

Aloha Chairs San Buenaventura & Chang, Vice Chairs Ihara & Kanuha, and Members of the Senate Committees on Human Services and Housing,

My name is James Koshiba and I am a founder of the volunteer network and nonprofit organization, Hui Aloha. We partner with houseless (aka homeless) people to create permanent solutions to homelessness.

Ending homelessness requires creating long-term or transitional housing (minimum 2 years, NOT more temporary, emergency shelters) that is affordable even to those at the very lowest income levels. I am currently working on 3 projects to permanently reduce homelessness on Oahu: (1) Puuhonua O Waianae Farm Village, which will house 250 people living unhoused at the Waianae Boat Harbor; (2) the “Nimitz Kauhale,” an urban tiny home village to house up to 120 individuals, including current/former houseless residents of Kakaako; (3) the Waimanalo Ohana, which is searching for a site to house up to 50 people who are unhoused in Waimanalo. I work on these projects as a volunteer leader of Hui Aloha and have nothing to gain financially from passage of this bill.

I support SB3018 because I believe it’s critical to substantially reducing homelessness in Hawaii in the next 5 years. Even more important than the appropriation, in my opinion, are the parts of the bill which create an expedited land use, planning, permitting, and regulatory pathway for Kauhale. Let me explain...

Transitional- or permanently-affordable housing projects that help reduce homelessness are often blocked by so-called “Not In My Back Yard” (NIMBY) opponents. NIMBY-ists use a lengthy and sometimes arbitrary permitting/regulatory process to stop projects from breaking ground, in order to keep people they perceive as “undesirable” (including houseless individuals) out of their neighborhood. If this mindset, fueled by stereotypes of poor people, is allowed to prevail, we will never end homelessness in Hawaii.

Despite NIMBYism, several projects to house houseless individuals have been built in the past 10 years. Most circumvented NIMBY opposition because they were built under the Governor’s Emergency Proclamation on Homelessness. The Proclamation created an expedited regulatory path for developments that “housed the homeless.” Projects started or completed under the Proclamation include Kahauiki Village (Kalihi Kai), Kama Oku Kauhale (Kalaeloa), Hale Maoli Ola (Sand Island), and Puuhonua O Waianae Farm Village (Waianae). The Proclamation was allowed to expire in February, 2019. Without the regulatory/permitting relief provided by the Proclamation, projects like those listed above would be delayed for years or killed today. Passing SB3018 will make more projects like them viable.

Focusing permitting/regulatory exemptions on Kauhale, as this bill does, is a cost-effective way to tackle homelessness. Micro-housing villages (i.e., small homes with shared bathrooms and kitchens) are less expensive to build and operate than any other kind of housing. Shared bathrooms and kitchens dramatically lower development costs compared to conventional apartments or single-family homes. Furthermore, operating like a “village,” with residents responsible for things like groundskeeping, maintenance, and security, drastically lowers operating costs compared to traditional apartments or neighborhoods. These savings translate into rents that are affordable even to houseless individuals who have very little income. Puuhonua O Waianae Farm Village, for example, expects to charge under \$300/mo for a household of 2 or 3 people.

In addition to being a more cost-effective solution than others (including conventional affordable housing development or housing vouchers), supporting Kauhale is also a way to tap the resources and initiative of the private sector and communities. Churches, nonprofits, community groups, private and corporate philanthropic organizations – many are actively seeking ways to help end homelessness. But, it’s hard for these parties to contribute to a project, if the permitting/regulatory process is lengthy and unpredictable.

Finally, two important caveats: (1) any expedited pathways created by this bill, including but not limited to land use, cultural/archeological review, and environmental reviews should ONLY apply to projects that house people experiencing homelessness for the long-run, (2); the actual method of expediting approvals should be determined in consultation with the relevant County or State agency.

Mahalo for your leadership, and your thoughtful consideration of this important bill.



James Koshba

james.koshiba@hualoha.org

www.hualoha.org

SB-3018

Submitted on: 1/31/2022 5:36:18 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---|---------------------------|-----------------------------------|
| Kara England | Testifying for The Radical Hale- Outreach | Support | No |

Comments:

i think the State of Hawaii is going in the right direction using the tiny home concept regarding housing for individuals that are experiencing homelessness or on the verge of being homeless.

Individuals that I outreach are not interested in shelters for various reasons. One main reason is the lack of privacy.

As a member of the Kapolei Rotary Club, we were invited to tour the tiny home community at Barbers Point- I was truly impressed with it.

The only concern I have is- will this community or type of housing prevent individuals from meeting the HUD guidelines regarding the continuity of homelessness for Permanent Stable Housing vouchers?

Thank you for taking the time to read my testimony and I wish you all the best!

Kara England

Founder of The Radical Hale - Outreach with Aloha

SB-3018

Submitted on: 2/1/2022 3:09:07 AM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Aura Reyes | Individual | Support | No |

Comments:

I am submitting written testimony on behalf of myself and I support this bill.



HAWAI' APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB3018– RELATING TO HOMELESSNESS, KAUAHALE
Joint Committee on Human Services and Committee on Housing
Tues. Feb 1st, 2022 at 1PM

Aloha Chair San Buenaventura, Chair Chang, and fellow committee members,

Appleseed is writing **in support of SB3018** which establishes a Kauhale program. We support measures such as this one which help expedite housing for our unsheltered by creating communities which grant them dignity and respect.

The most important parts of this bill are the relevant exemptions from county and state regulations that are designed for much larger housing developments, and which have been granted under emergency proclamations by the governor, but are not guaranteed to continue. These exemptions have made it possible to make much faster and less costly progress on transitional housing options such as the Pu'uonua 'o Wai'anae development on O'ahu which completed its first prototype unit in November 2021, and the Kealaula project on Kaua'i which was completed in November of 2020.

Additional significant measures in this bill include:

- The ability to construct projects on public **or private land**. Provided that private lands have a deed restriction that the land will be used "for affordable housing in perpetuity.
- The establishment of a **community advisory committee** to advise and assist the program which includes: two people with lived experience of homelessness, two non-profit developers of affordable housing and two non-profit homeless service providers.

A Kauhale program would help communities experiencing homelessness by providing these communities with a safe space to live, keep their belongings, work with service providers, and govern themselves without threat of sweeps or criminalization.

Mahalo for the opportunity to testify on this measure.

SB-3018

Submitted on: 2/1/2022 9:29:22 AM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|-----------------------------------|---------------------------|-----------------------------------|
| Lindsay Ann Pacheco | Testifying for Ka Po'e O Kaka'ako | Support | No |

Comments:

Aloha Chairs San Buenaventura & Chang, Vice Chairs Ihara & Kanuha, and Members of the Senate Committees on Human Services and Housing,

My name is Lindsay Ann Pacheco and I am a co-founder and leader for Ka Po'e O Kaka'ako, a houseless community who once resided in the Kaka'ako Park area before finally getting swept out of the area in late 2019. We partner with the non-profit group Hui Aloha as well as other houseless (aka homeless) people to create permanent solutions to homelessness.

I support SB3018 because I believe it's critical to substantially reducing homelessness in Hawaii. Even more important than the appropriation, in my opinion, are the parts of the bill which create an expedited land use, planning, permitting, and regulatory pathway for Kauhale to be developed.

Transitional- or permanently-affordable housing projects that help reduce homelessness are often blocked by so-called "Not In My Back Yard" (NIMBY) opponents. NIMBY-ists use a lengthy and sometimes arbitrary permitting/regulatory process to stop projects from breaking ground, in order to keep people they perceive as "undesirable" (including houseless individuals) out of their neighborhood. If this mindset, fueled by stereotypes of poor people, is allowed to prevail, we will never end homelessness in Hawaii.

Despite NIMBYism, several projects to house houseless individuals have been built in the past 10 years. Most circumvented NIMBY opposition because they were built under the Governor's Emergency Proclamation on Homelessness. The Proclamation created an expedited regulatory path for developments that "housed the homeless." Projects started or completed under the Proclamation include Kahauiki Village (Kalihi Kai), Kama Oku Kauhale (Kalaeloa), Hale Maoli Ola (Sand Island), and Puuhonua O Waianae Farm Village (Waianae). The Proclamation was

allowed to expire in February, 2019. Without the regulatory/permitting relief provided by the Proclamation, projects like those listed above would be delayed for years or killed today. Passing SB3018 will make more projects like them viable.

Focusing permitting/regulatory exemptions on Kauhale, as this bill does, is a cost-effective way to tackle homelessness. Micro-housing villages (i.e., small homes with shared bathrooms and kitchens) are less expensive to build and operate than any other kind of housing. Shared bathrooms and kitchens dramatically lower development costs compared to conventional apartments or single-family homes. And, operating like a “village,” with residents responsible for things like groundskeeping, maintenance, and security, drastically lowers operating costs compared to traditional apartments or neighborhoods. These savings translate into rents that are affordable even to houseless individuals who have very little income.

In addition to being a more cost-effective solution than others (including conventional affordable housing development or housing vouchers), supporting Kauhale is also a way to tap the resources and initiative of the private sector and communities. Churches, nonprofits, community groups, private and corporate philanthropic organizations, **and houseless people themselves** – many are actively seeking ways to help end homelessness. But, it’s hard for these parties to contribute to a project, if the permitting/regulatory process is lengthy and unpredictable.

Finally, three important caveats: (1) any expedited pathways created by this bill, including but not limited to land use, cultural/archeological review, and environmental reviews should **ONLY** apply to projects that house people experiencing homelessness for the long-run; (2) the actual method of expediting approvals (e.g., timeline for archeological inventory, alternatives to EIS) should be determined in consultation with relevant County or State agencies; and (3) we **MUST** engage the expertise and the energy of houseless folks themselves, if we are ever to end homelessness. The people closest to the problem often have keys to the solution.

Mahalo for your leadership, and your thoughtful consideration of this important bill.

SB-3018

Submitted on: 2/1/2022 9:33:55 AM

Testimony for HOU on 2/1/2022 1:00:00 PM

| Submitted By | Organization | Testifier Position | Remote Testimony Requested |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Arjuna | Individual | Support | No |

Comments:

Ohana Zone funding has been key in creating housing first units and supportive services for our unhoused folks, at last PIT there were about 7,000 unhoused people in Hawaii and according to an evaluation conducted of the Ohana Zone pilot program they have been able to directly house over 1,000. These services should be strengthened and state should make Ohana Zone funding permanent and continue to serve our unhoused community and provide direct services from social service providers.