

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

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 3168, S.D. 2, H.D. 1, RELATING TO HOMELESSNESS.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Wednesday, April 6, 2022                      **TIME:** 2:45 p.m.

**LOCATION:** State Capitol, Room 308 and 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 by: (1) exempting 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) extending the Ohana Zones Pilot Program to June 30, 2026; and (3) appropriating an unspecified sum for fiscal year 2022-2023, to be expended by the Governor's Office.

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

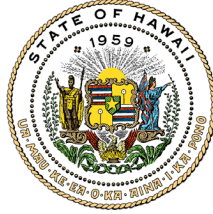
(a) Contracts entered into by the agencies designated by the governor pursuant to the ohana zones pilot program shall be exempt from the requirements of chapters 6E, 46, 92, 103D [and], 103F, 104, 171, 205, 205A, 206E, 343, and 346, and sections 37-41, 37-74 (d) (1), 40-66, 102-2, 103-2, 103-53, 103-55,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

chapter 103F, Purchases of Health and Human Services; chapter 104 Wages and Hours of Employees on Public Works; chapter 171, Public Lands, Management and Disposition of; chapter 205, Land Use Commission; chapter 205A, Coastal Zone Management; chapter 206E, Hawaii Community Development Authority; chapter 343, Environmental Impact Statements; chapter 346, Department of Human 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, nor does it explain how each HRS chapter and section exempted would apply to contracts entered into by state agencies designated by the Governor pursuant to the Ohana Zones pilot program (other than chapters 103D and 103F, which relate to procurement). An exemption overbreadth may: (1) cause implementation challenges; (2) result in unintended consequences; or (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 that can be justified as being necessary for the program. 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.



STATE OF HAWAII  
DEPARTMENT OF DEFENSE  
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 3168, SD2, HD1  
RELATING TO HOMELESSNESS

BEFORE THE HOUSE COMMITTEE ON  
**FINANCE**  
BY

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

APRIL 6, 2022

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

Thank you for the opportunity to submit testimony to provide **COMMENTS** on SB 3168, SD2, HD1.

SB 3168, SD2, HD1 Expands regulatory exemptions for ohana zones pilot program contracts. Extends the sunset date for the ohana zones pilot program to 6/30/2026. 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, Senate Bill 3168, SD2, HD1 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, HD2 jeopardizes the State of Hawaii's and the counties' eligibility and participation in the NFIP.

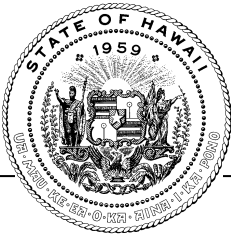
Flood damage is not covered by typical homeowner's insurance policies. An exemption from HRS Section 46 would potentially remove the primary tool by which the state's homeowners protect themselves from financial losses caused by flooding, including flash floods such as those seen across the state during the storms of April 2018, March 2020, March 2021, and the Kona Low storms in December 2021. 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 remove this exemption from the bill.

Thank you for the opportunity to provide comments on Senate Bill 3168, SD2, HD1.

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



**STATE OF HAWAII  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

**DAVID Y. IGE**  
GOVERNOR

**MARY ALICE EVANS**  
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846  
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Statement of  
**MARY ALICE EVANS**  
Director, Office of Planning and Sustainable Development  
before the  
**HOUSE COMMITTEE ON FINANCE**  
Wednesday, April 06, 2022  
2:45 PM  
State Capitol, Conference Room 308 and Videoconference

in consideration of  
**SB 3168 SD2 HD1**  
**RELATING TO HOMELESSNESS.**

Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance.

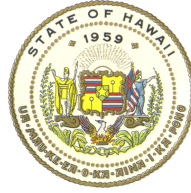
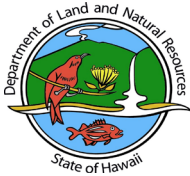
The purpose of SB 3168 SD2 HD1 is to extend the sunset date for the Ohana Zones Pilot Program to June 30, 2026 and expands statutory exemptions for contracts entered into under the program from a number of Chapters and Sections under Hawaii Revised Statutes (HRS). The Office of Planning and Sustainable Development (OPSD) supports the intent of the 'Ohana Zones Pilot Program to assist homeless adults to access appropriate treatment, shelter, care, and housing and **provides the following comments** regarding the exemption of this program from HRS Chapters 205A and 343.

**HRS Chapter 205A.** Exemption from HRS Chapter 205A Coastal Zone Management Law would eliminate project review and requirements for potential mitigative measures to protect the proposed projects from sensitive coastal hazard areas and reduce the opportunity for public comments where activities may occur in the Special Management Areas or Shoreline Setback Areas.

**HRS Chapter 343.** Exemption from HRS Chapter 343 Environmental Impact Statements reduces the opportunity to ensure environmental concerns are given appropriate consideration in decision making and would reduce the opportunity for consideration of citizen concerns expressed through the public participation process.

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

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
FINANCE**

**Wednesday, April 6, 2022  
2:45 PM**

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

**In consideration of  
SENATE BILL 3168, SENATE DRAFT 2, HOUSE DRAFT 1  
RELATING TO HOMELESSNESS**

Senate Bill 3168, Senate Draft 2, 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 nineteen (19) Chapters of the Hawaii Revised Statutes (HRS). **The Department of Land and Natural Resources (Department) respectfully opposes this bill as exemptions as the exemptions are too broad and may have serious consequences on the rest of the State's population.**

The Department is supportive of the 'Ohana Zone Program and notes that most of these broad waivers were not required for the success of the program. As such, the Department prefers the language of Senate Bill 3168 Senate Draft 2 as a vehicle to extend and eventually make 'Ohana Zones permanent. We defer to the Hawaii Public Housing Authority as to their role in making the 'Ohana Zones Program permanent.

In general, all of the laws waived protect the health and safety of the public. Below are the Department's comments on specific waivers. We request that waivers of the statutes below be removed from the bill.

**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.

**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

**Chapter 46, HRS.** This Chapter delegates authority to the Counties for all their functions, including zoning, police powers, noise ordinances. Waiving Chapter 46, HRS, could jeopardize the state and all counties' participation in the National Flood Insurance Program which could result in the loss of federal disaster assistance and flood insurance.

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.

If all of Chapter 46, HRS, is not removed, we offer the amendment below, which we provided to the Committee on Ways and Means for House Bill 2512, to address concerns about the State's continued participation in the National Flood Insurance Program, as well as the Department's concerns regarding Chapters 6E and 34, HRS.

(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 ~~[103D and]~~ ; 46, excluding sections 46-1.5, 46-88(c)(5), and 46-88(j); 92; 103F[-]; 205; 205A; 206E;; 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[-]; provided that no contract entered into pursuant to the ohana zones pilot program or no new or existing structures, related appurtenances, or other development shall be constructed until the county agency has determined that a permit is not required for compliance with county, state, or federal flood plain management development standards, or statutes, codes, ordinances, rules, or regulations pursuant to the National Flood Insurance Program requirements.

Wholesale statutory exemption should be carefully considered for public concerns regarding the lack of transparency, accountability, and opportunities for public comment that this bill encourages by making the waivers of these laws semi-permanent over the next five years, and perhaps beyond.

Thank you for the opportunity to testify on this measure





EXECUTIVE CHAMBERS  
HONOLULU

April 6, 2022

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

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

SUBJECT: **SB 3168 SD2 HD1 – RELATING TO HOMELESSNESS.**

Hearing: Wednesday, April 6, 2022, 2:45 p.m.  
VIA VIDEO CONFERENCE  
State Capitol, Conference Room 308

**POSITION:** The Governor's Coordinator on Homelessness appreciates the intent of this measure and supports extending the Ohana Zones pilot program. However, the Coordinator also offers comments and raises concerns regarding the HD1. Specifically, the Coordinator agrees with the Department of the Attorney General that the exemptions from Hawaii Revised Statutes (HRS) in section 1 may be overly broad and could result in unintended consequences. The Coordinator defers to other executive branch agencies for specific potential impacts related to the exemptions specified in section 1.

The Coordinator respectfully requests amendments to restore the original language of SB3168 or to insert language from the original version of HB2512 and notes the original versions of these measures are similar to administrative bills HB2140 / SB3108.

Additionally, the Coordinator notes that legislation is necessary to extend the sunset date of the Ohana Zones pilot program. If the sunset date for the program is not extended, projects funded through the pilot program will end in June 2023.

**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 Coordinator notes that the House Committees on Health, Human Services, and Homelessness and Housing amended the measure by deleting contents of the previous draft and inserting the contents of HB2512 HD2.

The exemptions from chapters 103D and 103F, HRS, in the Ohana Zones pilot allow for projects to be expedited and implemented quickly. While exemptions from other applicable laws may further expedite the development of programs, the bill exempts entire chapters of the HRS without clear explanation why these exemptions are necessary. The broad exemptions from HRS may result in unintended consequences adversely impacting the Ohana Zones pilot program and other aspects of state government. For example, it is unclear how exemptions from chapter 46, HRS, will impact the ability for Ohana Zones projects to receive federal funding from the U.S. Department of Housing and Urban Development (HUD), as compliance with local building code is a requirement to receive HUD funding.<sup>1</sup> If this bill proceeds, the Coordinator respectfully suggests amendments to amend the bill to include the original language for either SB3168 or HB2512, or alternatively to more narrowly tailor the exemptions.

It is also critical that the sunset date for the Ohana Zones pilot program be extended. Without legislation to extend the sunset date, the pilot program will end in June 2023. The end of the Ohana Zones pilot will mean that programs such as the Homeless Outreach and Navigation for Unsheltered (HONU) program may cease to exist.

The need for the flexibility and innovation provided by the Ohana Zones pilot is especially critical given the economic impacts of the COVID-19 pandemic. In January 2021, the Economic Roundtable released a report that projected the pandemic response would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016.

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<sup>1</sup> See HUD 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).

Continuation of the Ohana Zones pilot program is a priority for the Coordinator and the Hawaii Interagency Council on Homelessness (HICH), a 27-member advisory council guiding strategies to end homelessness statewide. Since its establishment in 2018, the Ohana Zones pilot program has 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. For more information about the Ohana Zones pilot program, visit <https://homelessness.hawaii.gov/ohana-zones>.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

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

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

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  
SENATE BILL NO. 3168, S.D. 2, H.D. 1

**April 6, 2022**  
**2:45 p.m.**  
**Room 308 and Videoconference**

**RELATING TO HOMELESSNESS**

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

Senate Bill No. 3168, S.D. 2, 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 an unspecified amount of general funds to the Office of the Governor in FY 23 for OZPP expenses, with the requirement that the State shall be the payor of last resort, 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.

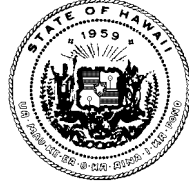
Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- 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.

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

April 5, 2022

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

FROM: Cathy Betts, Director

SUBJECT: **SB 3168 SD2 HD1 – RELATING TO HOMELESSNESS.**

Hearing: April 6, 2022, 2:45 p.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent to extend the Ohana Zone pilot program; if the program is not extended, it will sunset on June 30, 2023.

However, DHS opposes the expansion of contract exemptions in Section 1, paragraph 1. The Department requests that the whole paragraph be stricken and the original language in Act 209, Session Laws of Hawaii (SLH) 2018, as amended by Act 128, SLH (2019), be maintained. Alternatively, at the very least, DHS requests that Chapter 346 be removed from the list to avoid disrupting the available human services in ohana zone pilot program projects. The Department defers to the Department of the Attorney General and other departments impacted by Section 1, paragraph 1.

Regarding the appropriation amount, in administration measures (SB3108/ HB2140), DHS requested an appropriation of \$15,000,000 to continue support of existing pilot program projects and to address the needs of youth experiencing homelessness. The Department also suggests that a portion of the proposed appropriation be used to evaluate the pilot.

Lastly, DHS respectfully requests that any appropriation not supplant or reduce existing budget priorities identified in the executive budget.

**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 6/30/2026. Appropriates funds to the governor for the ohana zones pilot program. Effective 7/1/2060. (HD1)

The SD1 made significant amendments as follows:

- (1) Establishing an Ohana Zones Program within the Hawaii Public Housing Authority as part of its Rental Assistance Programs, rather than within the Department of Human Services, upon expiration of the Ohana Zones Pilot Program on June 30, 2028;
- (2) Inserting a \$15,000,000 appropriation amount for the extension of the Ohana Zones Pilot Program and expenses related to facility construction, renovation, and maintenance; provision of services and staffing; and administrative costs;
- (3) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The SD2 made further amendments:

- (1) Adding a new section to the measure that would allow a person receiving accommodations or services from an Ohana Zone Pilot Program site to request a ninety-day extension of the person's receipt of accommodations or services;
- (2) Inserting language in the measure's appropriation section to provide that all moneys from the appropriation that are unencumbered as of June 30, 2025, shall lapse as of that date, and deleting language that would have permitted transfer of funds unused by June 30, 2028, to the Hawaii Public Housing Authority;
- (3) Changing the appropriation from \$15,000,000 to an unspecified amount;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

The HD1 amended the measure by

- (1) Deleting its contents and inserting the contents of H.B. No. 2512, H.D. 2, a measure that:
  - (A) Expands regulatory exemptions for Ohana Zones Pilot Program contracts;
  - (B) Extends the sunset date for the Ohana Zones Pilot Program to June 30, 2026;and



- (C) Appropriates funds for the Ohana Zones Pilot Program;
- (2) Making the State the payor of last resort for all expenses related to the Ohana Zones Pilot Program; and
- (3) Changing the effective date to July 1, 2060, to encourage further discussion.

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



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[facebook.com/AARPHawaii](https://facebook.com/AARPHawaii)

**The State Legislature  
The House Committee on Finance  
Wednesday, April 6, 2022  
2:45 p.m.**

TO: The Honorable Sylvia Luke, Chair

RE: Support for S.B.3168, S.D.2, H.D. 1 Relating to Homelessness

Aloha Chair Luke and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with over 140,000 members in Hawai'i. **AARP supports S.B.3168, S.D.2, H.D.1** which expands regulatory exemptions for ohana zones pilot program contracts and extends the sunset date for the ohana zones pilot program to 6/30/2026.

Hawaii's high cost of housing is making it unaffordable for many, but especially for those at low or fixed income. These residents are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. According to 2021 Statista/AARP analysis of census data available by United States Census Bureau (USCB), there were 310 evictions and 2,150 homeless among Hawaii residents 55 years and older. The 2022 forecast is grimmer. It shows that the number of evictions for older residents will jump from 310 to 1,050, and homeless kūpuna will rise to 2,980. It is essential to assist older adults and others from facing housing crisis. Extending and expanding the Ohana zone pilot program allows the continuation of these innovative solutions that address the housing and homelessness issues.

Thank you very much for the opportunity to **support S.B. 3168, S.D.2.,H.D.1.**

Sincerely,

A handwritten signature in black ink that reads "Keali'i S. Lopez". The signature is written in a cursive, flowing style.

Keali'i Lopez, State Director



CATHOLIC CHARITIES HAWAII

**TESTIMONY IN SUPPORT OF SB 3168 SD2, HD1: RELATING TO HOMELESSNESS**

TO: House Committee on Finance

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

**Hearing: Wednesday, 4/6/22; 2:45 PM; via videoconference**

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

Thank you for the opportunity to provide testimony **in Support of SB 3168, SD2, HD1**, which extends the sunset date of the Ohana Zone pilot project from 6/30/2023 to 6/30/2026, and funds this pilot program. 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.

It is critical to extend the expiration date for the Ohana Zone Program, or some projects that are providing vital services may have to close down. Catholic Charities Hawaii supports extending the Ohana Zone pilot program and providing additional funding, as well as making it permanent. 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.

We urge your support to continue the Ohana Zone program and allocate the resources needed to fund them.

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



# 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 OF SB 3168 SD1 HD1 RELATING TO HOMELESSNESS

TO: House Committee on Finance,  
FROM: Partners In Care (PIC)  
Hearing: Wednesday, April 6<sup>th</sup>, 2022, 2:45PM  
Position: **SUPPORT**

Chair Dela Cruz and Members of the House Committee on Finance:

Partner In Care, Oahu's Continuum of Care, stands in support of **SB 3168 SD1 HD1 RELATING TO HOMELESSNESS**. This measure will provide additional funding, extend the lifetime of the pilot project and establish a permanent ohana zones program.

Over the last 3 years, there have been several innovative programs created within the ohana zones throughout the islands. 20 programs were created that other federal funding is not able to address. These programs have added hundreds of beds to the homeless service system including emergency shelter, tiny homes and more, which is essential in addressing the issue of homelessness. We support the continuation of this program and the resources needed to fund them for the next 5 years.

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

Aloha

**OPPORTUNITY  
YOUTH  
ACTION HUI**

06 April 2022

House Committee on Finance

Hearing Time: 2:45 p.m.

Location: Virtual

Re: SB 3168, SD 2 HD1, Relating to Homelessness

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

We are writing in **support** of SB 3168 SD 2 HD1, relating to homelessness. This bill extends the ohana zones pilot program to 06/30/2028. It appropriates funds for the continuation and stabilization of the program and establishes a permanent ohana zones program within the Department of Human Services upon expiration of the pilot program.

We are in support of the continuation of the ohana zones program and believe that it is serving its intended purpose to provide critical services to the State's homeless population. 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 individuals 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 homelessness 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 3168 SD 2.**



# HAWAI' APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

**Testimony of the Hawai'i Appleseed Center for Law and Economic Justice**

**SUPPORTING SB3168 HD1** – Relating to Ohana Zone Funding

Conference Room 308 & Videoconference

Wednesday, April 6, 2022 at 2:45PM

Aloha Chair Luke and members of the committee on finance,

Thank you for the opportunity to provide testimony **supporting SB3168, HD1**.

We applaud the legislature for this bill providing additional funding and extending the Ohana Zone Pilot Program through 2026. Additionally, the exemptions provided for homes within the pilot program are critical for keeping costs down and providing housing as quickly as possible for our currently unhoused community members.

These exemptions make sense in the case of low-cost housing options for people currently living in encampments or unsheltered because these tiny homes and other very affordable options are much smaller in scale and environmental impact than typical housing developments aimed at people with incomes to support a rent or mortgage. These ohana zone projects are a big improvement and step up for people currently living without shelter, however, they are not the typical housing product you would see for sale or rent on trulia or craigslist. It is important to recognize that different segments of our population have different housing needs and that for the over 6,000 houseless residents across our state we must continue to provide options that are as low-cost as possible.

Even though the pandemic has been declared over, **the emergency situation of homelessness is ongoing and all of the exemptions are needed and serve a purpose to expedite and pose a solution to getting people off the street and into housing**. We urge the committee to include all the exemptions from SB3168 HD1 to allow for the expedited construction of necessary supportive housing projects.

Please ensure that much needed transitional homes, supportive housing, emergency shelters and assessment centers continue to be built as quickly and efficiently as possible. Mahalo for this opportunity to testify.



April 6, 2022

**RE: SB3168, HD1 – STRONG SUPPORT**

Aloha Committee Chair, Vice Chair, and Members,

I am writing on behalf of Hawaiian Community Assets (HCA) and Hawaii Community Lending (HCL) to submit testimony in **STRONG SUPPORT** to provide additional funding and extending the Ohana Zone Pilot Program through 2026.

HCA is a 501c3 nonprofit that runs the State of Hawaii's largest Department of Housing and Urban Development certified counseling agency, while HCL is a 501c3 nonprofit certified by the US Department of the Treasury as a community development financial institution. HCA and HCL work together at Financial Opportunity Centers across the state to serve approximately 3000 local residents annually with free financial counseling, income supports, and career coaching with the goal of increasing their income, building assets, and reducing housing cost burdens. 95% of our clients are Asset Limited, Income Constrained, Employed or below poverty, often living one paycheck away from financial ruin and struggling to make ends meet every month.

In our work in developing the [Maui County Comprehensive Affordable Housing Plan](#), our findings were clear: **we must find solutions to address the housing demand for our people and according to the Hawaii Housing Planning Study, 50% of the homes needed by 2025 are for extremely and very-low income households below 50% area median income.** This bill does just that by providing exemptions for the development of affordable housing that targets houseless individuals and families below 30% area median income are necessary to build these homes and keep them affordable. At the same time, existing ohana zone builds are fully integrating supportive services and food security as part of their developments, which provides the foundation for our people to thrive and move beyond these opportunities once they are ready.

It is important to note that we have seen broad based support for this concept – from businesses and nonprofits to community members impacted the most by housing instability. They are concerned about the growing number of our people without homes and often times struggling to find community.

Please help pass this important legislation to move us forward in creating housing opportunities for our people, to develop supportive communities, and show us a new way forward on affordable housing for our people with the fewest resources and impacted the most by housing instability. Mahalo for your leadership and consideration.

Sincerely

Jeff Gilbreath  
Executive Director  
Hawaii Community Lending



## Young Democrats of Hawai'i

### Executive Board:

April 5, 2022

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Democrats

### House Committee on Finance

Representative Sylvia Luke, Chair  
Representative Kyle T. Yamashita, Vice-Chair

### Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee,

The Young Democrats of Hawai'i (YDHI) **supports SB3168 SD2 HD1**. Extending the sunset of the 'Ohana Zones Pilot Program is essential in aiding the homeless epidemic in Hawai'i and ensure a sense of reassurance that our neighbors experiencing houselessness are equipped with the necessary tools for success.

YDHI is a caucus under the Democratic Party of Hawai'i. Our mission is to increase the political strength of our members by providing opportunities for civic engagement, political advocacy, and participation in the Democratic Party of Hawai'i.

**SB3168 SD2 HD1** extends the sunset of the 'Ohana Zones Pilot Program to June 30, 2026. Services of this program include accessibility to transportation, health care, and more with the purpose of providing "wrap around" services so individuals are informed and empowered to improve their current circumstances. With facilities located in each county, the State estimates the program to have serviced over 5,000 individuals and aided over 1,000 individuals to access permanent housing. While this program's purpose and our current homelessness statistics certainly warrant a permanent solution, the three year extension allows the 'Ohana Zones Pilot Program to continue empowering more people to be able to get permanent housing, continue living in Hawai'i, and contribute to their community.

Thank you for the opportunity to testify in support of this bill, and we urge you to **pass SB3168 SD2 HD1** to most effectively aid our neighbors experiencing houselessness.

Sincerely,  
The Young Democrats of Hawai'i





*Building strength and stability through shelter*

House Finance Committee  
Wednesday, April 6, 2022  
Video Conference, 2:45 p.m.

## **SB3168 SD2 HD1 – STRONG SUPPORT**

Aloha Committee Chair Luke, Vice-Chair Yamashita, and fellow committee members,

I am submitting testimony in my capacity as Program Manager of Hawaii Habitat for Humanity Association (HHFHA), a nonprofit community development financial institution and Affiliate Support Organization for the direct service Habitat for Humanity organizations across the state to **SUPPORT SB3168 with amendments.**

Hawaii Habitat supports this measure in extending the Ohana Zones pilot program, appropriating funds for the continued success of the program, and establishing a permanent program. Our organization would also like to applaud the legislature for the inclusion of exemptions provided for home within the pilot program, as they are critical to keeping costs down and providing housing as quickly as possible for our unhoused community members.

As a support organization for our non-profit housing developer affiliates across the state, we understand the importance and are in strong support of relevant exemptions from county and state regulations for this program. These exemptions (which have been granted under emergency proclamations by the governor, but are not guaranteed to continue) make it possible to make much faster and less costly progress on transitional housing options that our houseless communities are in desperate need of.

These exemptions make sense in the case of low-cost housing options for people currently living in encampments or unsheltered because these tiny homes and other very affordable options are much smaller in scale and environmental impact than typical housing developments aimed at people with incomes to support a rent or mortgage. These ohana zone projects are a big improvement and step up for people currently living without shelter, however, they are not the typical housing product you would see for sale or rent. It is important to recognize that different segments of our population have different housing needs and that for the over 6,000 houseless residents across our state we must continue to provide options that are as low-cost as possible.

Even though the pandemic has been declared over, the emergency situation of homelessness is ongoing and all of the exemptions are needed and serve a purpose to expedite and pose a solution to getting people off the street and into housing. **We urge the committee to include all the exemptions from SB3168 HD1 to allow for the expedited construction of necessary supportive housing projects.**

Hawaii Habitat also supports any further amendments that can ensure that the voice of our houseless community has meaningful participation in determining how Ohana Zone funds are spent. This includes input from service providers, professionals trained in social work and outreach care, as well as individuals with lived experience of homelessness.

Mahalo for your time, leadership and consideration. Please contact me directly at 425.829.8231 or [susan@hawaiihabitat.org](mailto:susan@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,

*Susan Le*

Susan Le  
Program Manager

**SB-3168-HD-1**

Submitted on: 4/4/2022 2:13:42 PM

Testimony for FIN on 4/6/2022 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

The Govener should get Crap it is his job witch he has Fail to take care of the People all of the People!!

**SB-3168-HD-1**

Submitted on: 4/5/2022 9:17:16 AM

Testimony for FIN on 4/6/2022 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Barbara L Franklin	Barbara L Franklin, Esq., Attorney at Law	Support	Written Testimony Only

Comments:

I support extension of the Ohana Zones pilot program by three years to 2026. It is important to allow the exemption to ensure construction of needed housing.

**SB-3168-HD-1**

Submitted on: 4/5/2022 11:17:14 AM

Testimony for FIN on 4/6/2022 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lindsay Ann Pacheco	Individual	Support	Written Testimony Only

Comments:

I fully support SB3168!

Thank you, Lindsay Ann Pacheco

**SB-3168-HD-1**

Submitted on: 4/5/2022 2:36:44 PM

Testimony for FIN on 4/6/2022 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Arjuna	Individual	Support	Written Testimony Only

Comments:

Please support the exemptions in SB3168, each of them serve a purpose to expedite needed and necessary transitional and supportive housing structures. If we are to be serious about ending homelessness here in Hawaii then it is imperative that the committee on Finance pass the house draft of this bill which will allow us to directly get people into housing.