



GOV. MSG. NO. 1196

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

June 21, 2023

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

✓ The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 21, 2023, the following bill was signed into law:

HB1397 HD1 SD2 CD1

RELATING TO SUPPORTIVE HOUSING.
ACT 095

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO SUPPORTIVE HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In accordance with section 9 of article VII of
2 the Hawaii State Constitution and sections 37-91 and 37-93,
3 Hawaii Revised Statutes, the legislature has determined that the
4 appropriations contained in H.B. No. 300, H.D. 1, S.D. 1,
5 C.D. 1, and this Act will cause the state general fund
6 expenditure ceiling for fiscal year 2023-2024 to be exceeded by
7 \$1,068,767,367 or eleven per cent. This current declaration
8 takes into account general fund appropriations authorized for
9 fiscal year 2023-2024 in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1,
10 and this Act only. The reasons for exceeding the general fund
11 expenditure ceiling are that:

- 12 (1) The appropriations made in this Act are necessary to
13 serve the public interest; and
- 14 (2) The appropriations made in this Act meet the needs
15 addressed by this Act.

16 SECTION 2. The legislature finds that supportive housing
17 is an innovative and proven solution to some of the nation's
18 toughest community problems. It combines affordable housing



1 with access to services to help special needs populations, such
2 as chronically homeless individuals and families, individuals
3 with intellectual, developmental, physical or severe mental
4 disabilities, individuals transitioning from incarceration,
5 emancipated foster youth, individuals with an alcohol or drug
6 addiction, and frail elderly individuals, live more stable and
7 productive lives.

8 According to the Corporation for Supportive Housing, a
9 nonprofit organization that has impacted over two hundred
10 thousand individuals in more than three hundred cities across
11 forty-eight states and the United States Virgin Islands,
12 supportive housing generates significant cost savings to public
13 systems. Cost studies in six different states and cities found
14 that supportive housing results in tenants' decreased use of
15 shelters, hospitals, emergency rooms, jails, and prisons. One
16 case study found that an eighty-five-unit supportive housing
17 facility in Charlotte, North Carolina, which serves individuals
18 with extensive histories of homelessness and a disabling
19 condition, effectively ended homelessness for eighty-one per
20 cent of its tenants. This significant housing stability rate is
21 consistent with other permanent supportive housing models across



1 the country. Moreover, there were significant reductions to
2 emergency room visits, hospital stays, ambulance calls, and for
3 tenants involved with the criminal justice system, reductions in
4 arrests and nights in jail.

5 Supportive housing also helps build strong, healthy
6 communities by improving the safety of neighborhoods,
7 beautifying city blocks with new or rehabilitated properties,
8 and increasing or stabilizing property values over time.

9 According to studies from Hawaii Pathways Project and the
10 city and county of Honolulu's housing first program, supportive
11 housing has shown similar positive impacts as in other
12 jurisdictions. Supportive housing benefits include:

- 13 (1) For individuals, improved housing retention, health,
14 and quality of life;
- 15 (2) For systems, reduced burdens and costs on already
16 stretched public systems, such as public safety and
17 emergency medical services; and
- 18 (3) For the community, decreased crime rates and increased
19 or no impact on property values.

20 The legislature therefore finds that a supportive housing
21 pilot program will help the State determine the impacts of



1 supportive housing for vulnerable populations and provide urgent
2 housing in the midst of the State's homelessness crisis and
3 ongoing housing shortage. Further, granting certain state
4 agencies exemptions from chapters 103D and 103F, Hawaii Revised
5 Statutes, in selecting qualified nonprofit organizations to
6 administer components of the pilot program, who have expertise
7 in delivering specific services with a public purpose, is
8 advantageous to the State and ensures an efficient use of state
9 funds.

10 Accordingly, the purpose of this Act is to:

- 11 (1) Establish a supportive housing pilot program with the
12 goal of increasing and maintaining supportive housing
13 opportunities for individuals and families with
14 special needs; and
- 15 (2) Appropriate funds for the implementation of the pilot
16 program.

17 SECTION 3. (a) There is established the supportive
18 housing pilot program within the statewide office on
19 homelessness and housing solutions to provide and maintain
20 affordable, permanent housing and services for individuals and
21 families with special needs.



1 (b) The statewide office on homelessness and housing
2 solutions shall collaborate with the Hawaii housing finance and
3 development corporation, Hawaii public housing authority, and
4 various state, county, and community agencies to implement the
5 pilot program.

6 (c) The Hawaii housing finance and development corporation
7 may assist in the development of a rental housing project or
8 projects in which some or all of the units are targeted to
9 special needs individuals or families who require supportive
10 services and with household incomes at or below thirty per cent
11 of the area median income.

12 (d) The Hawaii public housing authority may implement
13 project-based rent supplement payments to assist project owners
14 of supportive housing projects in maintaining rentals at levels
15 affordable to eligible households with incomes at or below
16 thirty per cent of the area median income, which, together with
17 rental payments received from eligible tenants, will provide
18 project owners with limited rates of return on their investments
19 in rental housing accommodations. The Hawaii public housing
20 authority may enter into memoranda of agreement with the
21 counties or specialized nonprofit organizations as necessary to



1 implement this subsection. The Hawaii public housing authority
2 shall be exempt from chapter 103D, Hawaii Revised Statutes, in
3 selecting a qualified nonprofit organization to administer the
4 rent supplement payments and, without regard to chapter 91,
5 Hawaii Revised Statutes, may establish rules and qualification
6 standards for participants of the supportive housing pilot
7 program.

8 (e) The statewide office on homelessness and housing
9 solutions shall administer payments for supportive services,
10 including employment services, that assist the residents
11 participating in the pilot program to retain housing, improve
12 their health status, and maximize their ability to live and,
13 when possible, work in the community. Supportive services may
14 include mental health, substance abuse, counseling, and daily
15 living activities. The supportive services funding of not more
16 than \$800 per unit per month is intended to be matched with
17 federal medicaid funds. The statewide office on homelessness
18 and housing solutions may enter into memoranda of agreement with
19 the counties or specialized nonprofit organizations as necessary
20 to implement this section. The statewide office on homelessness
21 and housing solutions shall be exempt from chapters 103D and



1 103F, Hawaii Revised Statutes, in selecting a qualified
2 nonprofit organization to administer the supportive services
3 payments and, without regard to chapter 91, Hawaii Revised
4 Statutes, may establish rules and qualification standards for
5 participants of the supportive housing pilot program.

6 (f) The statewide office on homelessness and housing
7 solutions shall develop an information system for the
8 standardized collection of client-level data and data on the
9 provision of housing and supportive services to individuals and
10 families in need of or in supportive housing. The information
11 system shall be used to measure the need for supportive housing
12 and assess and improve the effectiveness of the pilot program.

13 (g) The Hawaii housing finance and development
14 corporation, Hawaii public housing authority, and statewide
15 office on homelessness and housing solutions shall submit a joint
16 interim report of findings and recommendations, including any
17 proposed legislation, regarding the supportive housing pilot
18 program to the legislature by December 1, 2024, and a joint
19 final report of findings and recommendations by December 1,
20 2025.



1 SECTION 4. The first project to be developed pursuant to
2 the pilot program established by this Act shall be located in a
3 county having a population of more than 500,000.

4 SECTION 5. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$1,740,000 or so much
6 thereof as may be necessary for fiscal year 2023-2024 for
7 contracts, not to exceed twenty years, with new supportive
8 housing rental projects or supportive housing rental units in
9 rental projects for project-based rent supplement payments for
10 the pilot program established by this Act.

11 The sum appropriated shall be expended by the Hawaii public
12 housing authority for the purposes of this Act; provided that
13 the appropriation shall not lapse at the end of the fiscal
14 biennium for which the appropriation is made.

15 SECTION 6. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$2,784,000 or so much
17 thereof as may be necessary for fiscal year 2023-2024 for the
18 provision of support services for qualified individuals and
19 families in new supportive housing.



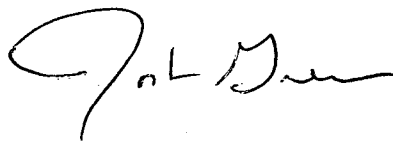
1 The sum appropriated shall be expended by the statewide
2 office on homelessness and housing solutions for the purposes of
3 this Act.

4 SECTION 7. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$476,000 or so much
6 thereof as may be necessary for fiscal year 2023-2024 for the
7 development of a supportive housing information system.

8 The sum appropriated shall be expended by the statewide
9 office on homelessness and housing solutions for the purposes of
10 this Act.

11 SECTION 8. This Act shall take effect on July 1, 2023, and
12 shall be repealed on June 30, 2025.

APPROVED this 21st day of June , 2023



GOVERNOR OF THE STATE OF HAWAII



HB No. 1397, HD 1, SD 2, CD 1

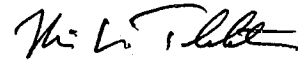
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: **MAY 04 2023**
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.



Scott K. Saiki
Speaker
House of Representatives




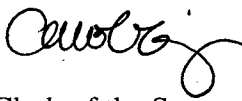
Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: MAY 04 2023
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.


President of the Senate


Clerk of the Senate