

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1040
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Hawaiian Affairs and Water and Land, to which was referred S.B. No. 1040 entitled:

"A BILL FOR AN ACT RELATING TO HOMELESSNESS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Hawaiian Home Lands to establish the Kupuna Housing Pilot Program on the Leeward Coast of Oahu to provide individual or shared micro housing units and services to homeless Native Hawaiian individuals and families;
- (2) Exempt low-income rentals, tiny home villages, and Kauhale from certain provisions for the duration of their underlying leases consistent with the Governor's 2015 and 2018 Proclamations on Homelessness; and
- (3) Appropriate funds.

Your Committees received testimony in support of this measure from the Office of the Governor, Governor's Coordinator on Homelessness, Hawaii Substance Abuse Coalition, Hawai'i Health and Harm Reduction Center, Opportunity Youth Action Hawai'i, Malama Makua, Environmental Caucus of the Democratic Party of Hawai'i, and five individuals. Your Committees received testimony in



opposition to this measure from Hui Kako'o 'Āina Ho'opulapula and four individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Hawaii Emergency Management Agency, Department of Hawaiian Home Lands, State Procurement Office, and Office of Information Practices.

Your Committees find that homelessness continues to be one of Hawaii's most dire and persistent challenges. Your Committees further find that Native Hawaiians are disproportionately affected by the housing crisis. Although Native Hawaiians represent less than twenty percent of the State's population, according to the 2020 point-in-time count, Native Hawaiians represent over half of all homeless individuals.

Your Committees also find that the Department of Hawaiian Home Lands owns lots that are available for development along the Leeward Coast of Oahu. Your Committees believe that these lands can be used to help reduce homelessness and support the needs of those who are homeless.

Your Committees have amended this measure by:

- (1) Inserting additional legislative findings;
- (2) Changing the pilot program to be the Rent-With-Option-To-Purchase Pilot Program for native Hawaiian beneficiaries who are homeless, or threatened with homelessness, and on the Department of Hawaiian Home Lands waiting list, instead of a rental program for Native Hawaiians who meet the definition of homeless as defined by the United States Department of Housing and Urban Development;
- (3) Replacing certain references to "Kauhale" or the "Kauhale Pilot Program" with "rent-with-option-to-purchase" or "Rent-With-Option-to-Purchase Pilot Program";
- (4) Deleting the proposed construction exemptions pursuant to the Governor's 2015 and 2018 proclamations on homelessness;



- (5) Allowing the Department of Hawaiian Home Lands to purchase lands and retain the authority to determine which lands to use for the pilot program pursuant to chapter 91, Hawaii Revised Statutes;
- (6) Requiring the Department of Hawaiian Home Lands to establish any terms, conditions, and requirements as necessary to facilitate the transfer of ownership in a unit to the lessee upon the expiration of the lease;
- (7) Eliminating the minimum and maximum square foot requirements for the proposed dwelling units;
- (8) Adding definitions for "Rent-With-Option-To-Purchase Pilot Program", "Leeward Coast", and "threatened with homelessness";
- (9) Providing that nothing in this measure shall be inconsistent with, or contrary to, any act of the Hawaiian Homes Commission Act 1920, as amended, or any regulation promulgated or standard established pursuant thereto;
- (10) Specifying that the Rent-With-Option-To-Purchase Pilot Program shall not be implemented with any funds from the \$600,000,000 appropriation made to the Department of Hawaiian Home Lands pursuant to Act 279, Session Laws of Hawaii 2022;
- (11) Amending section 1 to reflect its amended purpose; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Should your Committee on Ways and Means choose to deliberate on this measure, your Committees respectfully request that it consider inserting an appropriation amount of \$3,000,000.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1040, as amended herein, and recommend that it pass Second Reading in the form attached hereto



as S.B. No. 1040, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Hawaiian Affairs and Water and Land,

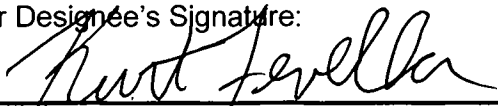

LORRAINE R. INOUE, Chair


MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1040	HWN/WTL, WAM	02/16/2023		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SHIMABUKURO, Maile S.L. (C)	X			
FEVELLA, Kurt (VC)	X			
IHARA, Jr., Les	X			
KEOHOKALOPE, Jarrett	X			
RICHARDS, III, Herbert M. "Tim"	X			
TOTAL	5	—	—	—
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

