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# A BILL FOR AN ACT

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RELATING TO HOUSING.

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

PART I

SECTION 1. Chapter 346, Hawaii Revised Statutes, is amended by adding two new sections to subpart B of part XVIII to be appropriately designated and to read as follows:

"§346-      **Kauhale projects; requirements.**    (a) Any kauhale projects constructed or developed using state funds shall be connected to public utilities, including water, sewer, and electricity.

(b) The monthly rent charged to any resident of a kauhale shall not exceed thirty per cent of the area median income.

(c) If funds appropriated for construction and development of a kauhale project are used to contract for the procurement of building services and projects related to the kauhale initiative, there shall be at least two bidders for any kauhale project estimated to be over \$1,000,000.



1        (d) The office shall conduct and complete a community  
2        consultation process prior to the construction and development  
3        of any kauhale project.

4        (e) Should any portion of the funds appropriated for the  
5        construction of a kauhale project be used for purposes  
6        inconsistent with the intent of the kauhale initiative or the  
7        construction is phased out and the kauhale project is contracted  
8        with a private entity, the State shall have the first right to  
9        recoup and reclaim all or a portion of the appropriated funds.

10       **§346- Kauhale; reports.**    (a) The office shall  
11       establish the following:

12       (1) The evaluation criteria and process that the office  
13       shall use each year when reviewing the success and  
14       sustainability of the kauhale; and

15       (2) Monitoring and oversight controls over the kauhale to  
16       identify, address, and prevent possible fraud, waste,  
17       and abuse and ensure compliance with federal, state,  
18       and local laws.

19       (b) The coordinator shall compile and consolidate  
20       information from the office and submit a report to the



1 legislature no later than twenty days prior to the convening of  
2 each regular session, which shall include:

3 (1) Data on the number of beds, occupancy, duration of  
4 stay, types of services provided, and next planned  
5 destination of participants who left the kauhale;

6 (2) An evaluation of the kauhale to determine whether the  
7 objectives set have been met or exceeded; and

8 (3) Any proposed changes that need to be made to the  
9 performance measures used to assess the achievement of  
10 program goals."

11 SECTION 2. Section 346-385, Hawaii Revised Statutes, is  
12 amended by adding a new definition to be appropriately inserted  
13 and to read as follows:

14 "Kauhale" means:

15 (1) A program to address the basic needs of individuals  
16 experiencing houselessness; and

17 (2) Affordable housing spaces that are communal living  
18 spaces with individual household units and charge  
19 monthly rents no more than thirty per cent of the area  
20 median income level."



1       SECTION 3. (a) The auditor shall conduct a management and  
2 performance audit of the kauhale initiative.

3       (b) The auditor shall submit the audit with any findings  
4 and recommendations, including any proposed legislation, to the  
5 legislature no later than twenty days prior to the convening of  
6 the regular session of 2026.

7       SECTION 4. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$18,575,000 or so  
9 much thereof as may be necessary for fiscal year 2025-2026 and  
10 \$24,325,000 or so much thereof as may be necessary for fiscal  
11 year 2026-2027 for the continued operation of the kauhale  
12 initiative, including expenses related to:

13       (1) The development and operation of kauhale;

14       (2) The provision of project-based rent supplement  
15 payments;

16       (3) The provision of support services for qualified  
17 individuals and families in kauhale;

18       (4) Staffing and related costs to administer the kauhale  
19 initiative;

20       (5) Addressing basic needs of individuals and families  
21 experiencing homelessness;



- 1 (6) Wrap around services;
- 2 (7) Social and health care services;
- 3 (8) Transportation; and
- 4 (9) Other services with the goal of alleviating poverty
- 5 and transitioning individuals and families
- 6 experiencing homelessness or housing instability into
- 7 supportive or affordable housing.

8 The sums appropriated shall be expended by the department

9 of human services for the purposes of this part.

10 PART II

11 SECTION 5. Chapter 346, Hawaii Revised Statutes, is

12 amended by adding a new section to subpart B of part XVIII to be

13 appropriately designated and to read as follows:

14 **"§346- Ohana zones program; establishment; reports.**

15 (a) There is established within the office the ohana zones

16 program to provide temporary housing and services to homeless

17 individuals and families based on principles similar to the

18 housing first program.

19 (b) The office shall determine the number and locations of

20 ohana zone sites, which shall be situated on public or private

21 lands in accordance with subsection (c).



1        (c) The office may coordinate with public or private  
2 entities, as appropriate, to develop and implement the ohana  
3 zones program; provided that:

4        (1) If any public land under the jurisdiction of a state  
5 or county agency is determined to be suitable for use  
6 as an ohana zone, the office shall:

7        (A) Work with the appropriate state or county agency  
8 that controls the land to transfer the land  
9 designated for use as an ohana zone to an agency  
10 whose mission is more suited to the management of  
11 ohana zones; and

12        (B) Work with the appropriate state or county agency  
13 that controls the land and its construction  
14 agency to ensure that an ohana zone's  
15 infrastructure needs are met and minimize adverse  
16 impacts to the environment, including to  
17 nearshore resources, such as corals, reef fish,  
18 and seabirds;

19        (2) Use of any private lands determined to be suitable for  
20 use as an ohana zone shall be for limited purposes and  
21 require a written agreement between the private land



owner and any state or county agency that any  
structure built with public funds may be moved or is  
temporary; provided further that if the land ceases to  
be used for an ohana zone or low-income housing before  
the time specified in the agreement, the state or  
county agency may choose to move the structure off the  
private land to a location of the state or county  
agency's choosing; and

(3) The ohana zones program may allow for off-the-grid  
technologies that can:

(A) Provide drinking water and electricity; and

(B) Process sewage,

without existing infrastructure; provided further that  
ohana zone sites with the ability to hook up to  
electricity, water, and sewer shall be preferred when  
considering ohana zone sites; provided further that  
connections to these utilities shall be made as soon  
as the project is able, unless there is a more cost-  
effective renewable energy option.

(d) The ohana zones program may provide the following  
facilities and services at each ohana zone site:



1        (1) Secure dwelling spaces that:

2            (A) May be private or communal;

3            (B) Have access to toilets, showers, and other  
4            hygiene facilities; and

5            (C) Have access to an area for food storage and meal  
6            preparation;

7        (2) Medical and social support services; and

8        (3) Transportation to appointments related to medical care  
9        or supportive services that are not available onsite.

10       (e) The office shall establish the following:

11       (1) The evaluation criteria and process that the office  
12       shall use each year when reviewing the success and  
13       sustainability of the ohana zones; and

14       (2) Monitoring and oversight controls over the ohana zones  
15       to identify, address, and prevent possible fraud,  
16       waste, and abuse and ensure compliance with federal,  
17       state, and local laws.

18       (f) The coordinator shall compile and consolidate  
19       information from the office to effectuate this section and  
20       submit a report to the legislature no later than twenty days





1 prior to the convening of each regular session, which shall  
2 include:

- 3     (1) Data on the number of beds, occupancy, duration of  
4     stay, types of services provided, and next planned  
5     destination of participants who left the ohana zone;  
6     (2) An evaluation of the ohana zones to determine whether  
7     the objectives set have been met or exceeded; and  
8     (3) Any proposed changes that need to be made to the  
9     performance measures used to assess the achievement of  
10    program goals."

11       SECTION 6. Section 346-385, Hawaii Revised Statutes, is  
12 amended by adding a new definition to be appropriately inserted  
13 and to read as follows:

14       "Ohana zone" means a place:

- 15     (1) That has a program to address basic needs of  
16     individuals experiencing homelessness; and  
17     (2) Where wrap-around services, social and health care  
18     services, transportation, and other services may be  
19     offered with the goals of alleviating poverty and  
20     transitioning individuals experiencing homelessness  
21     into affordable housing."



1       SECTION 7. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$2,525,000 or so much  
3 thereof as may be necessary for fiscal year 2025-2026 and  
4 \$5,855,000 or so much thereof as may be necessary for fiscal  
5 year 2026-2027 for the continued implementation of the ohana  
6 zones pilot program established under Act 209, Session Laws of  
7 Hawaii 2018.

8       The sums appropriated shall be expended by the department  
9 of human services for the purposes of this part.

10                                   PART III

11       SECTION 8. (a) The statewide office on homelessness and  
12 housing solutions shall submit a report to the legislature every  
13 four months detailing the expenditure of funds appropriated  
14 pursuant to this Act, as well as any appropriations made toward  
15 the kauhale or ohana zones initiatives. Each report shall  
16 include:

- 17       (1) A list of all contracts executed during the preceding  
18           quarter;  
19       (2) Supporting documentation detailing the use of funds;  
20       and



(3) A status update on all operations and buildings using any allocated funds made by the State for the preceding quarter.

(b) The statewide office on homelessness and housing solutions shall conduct a comprehensive needs assessment on the services, temporary housing, permanent housing, and continuum of care within each county with a plan to address the outstanding needs in the most cost-effective manner. The office shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2026.

#### PART IV

SECTION 9. Section 346-381.5, Hawaii Revised Statutes, is amended to read as follows:

"[+]§346-381.5[+] ~~[Governor's coordinator]~~ Coordinator on homelessness. The governor shall appoint the ~~[governor's]~~ coordinator on homelessness for the proper administration and enforcement of this chapter without regard to chapter 76."

SECTION 10. Section 346-382, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:



1       "(a) The Hawaii interagency council on homelessness shall  
2 be composed of the following members or the member's designee:

3       (1) [~~Governor's coordinator~~] Coordinator on homelessness,  
4       who shall serve as chair;

5       (2) Director of human services;

6       (3) Administrator of the homeless programs office of the  
7       department of human services;

8       (4) Director of health;

9       (5) Director of labor and industrial relations;

10      (6) Director of law enforcement;

11      (7) Director of business, economic development, and  
12      tourism;

13      (8) Chairperson of the Hawaiian homes commission;

14      (9) Adjutant general;

15      (10) Chairperson of the board of trustees of the office of  
16      Hawaiian affairs;

17      (11) Attorney general;

18      (12) Superintendent of education;

19      (13) Two members of the house of representatives to be  
20      designated by the speaker of the house of  
21      representatives, of whom one member shall be



1 designated by the speaker of the house of  
2 representatives to serve as an alternate member on the  
3 Hawaii interagency council on homelessness to serve in  
4 the other member's absence;

5 (14) Two members of the senate to be designated by the  
6 president of the senate, of whom one member shall be  
7 designated by the president of the senate to serve as  
8 an alternate member on the Hawaii interagency council  
9 on homelessness to serve in the other member's  
10 absence;

11 (15) A representative of the Hawaii public housing  
12 authority;

13 (16) The mayor of each county;

14 (17) A representative of the continuum of care programs in  
15 each county, to be designated by the respective  
16 mayors;

17 (18) A representative of the United States Department of  
18 Veterans Affairs who shall be requested to serve by  
19 the governor;

20 (19) A representative from the Office of Community Planning  
21 and Development, United States Department of Housing



1 and Urban Development, who shall be requested to serve  
2 by the governor;

3 (20) A representative of a faith-based organization with  
4 interfaith relationships, to be designated by the  
5 governor; and

6 (21) A representative of the business community, to be  
7 designated by the governor."

8 SECTION 11. Section 346-385, Hawaii Revised Statutes, is  
9 amended as follows:

10 1. By adding a new definition to be appropriately inserted  
11 and to read:

12 "Director" means the director of human services."

13 2. By amending the definition of "coordinator" to read:

14 "'Coordinator" means the [~~governor's~~] coordinator on  
15 homelessness as provided in section 346-381.5."

16 SECTION 12. Section 346-387, Hawaii Revised Statutes, is  
17 amended by amending its title and subsections (a) and (b) to  
18 read as follows:

19 "[~~§~~]**§346-387**[~~§~~] **Administration.** (a) The office shall be  
20 headed by the [~~governor's~~] coordinator on homelessness,



1 appointed pursuant to section 346-381.5, for the proper  
2 administration and enforcement of this subpart.

3 (b) The coordinator shall report directly to the  
4 [~~governor~~] director and appoint staff as may be necessary."

5 PART V

6 SECTION 13. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 14. This Act shall take effect on July 1, 2025.



**Report Title:**

DHS; OHHS; Housing; Kauhale Initiative; Ohana Zones Pilot Program; Reporting; Auditor; Coordinator on Homelessness; Director of Human Services; Appropriations

**Description:**

Part I: Establishes requirements for kauhale projects, including reporting requirements by the Statewide Office on Homelessness and Housing Solutions (OHHS). Requires the Auditor to conduct a management and performance audit of the kauhale initiative. Appropriates funds for the continued operation of the kauhale initiative. Part II: Establishes the Ohana Zones Program as a permanent program within OHHS. Appropriates funds to DHS for the continued implementation of the Ohana Zones Pilot Program. Part III: Requires OHHS to submit a report every four months to the Legislature detailing the expenditure of funds appropriated toward the kauhale and ohana zones initiatives and conduct a comprehensive needs assessment. Part IV: Changes references to the Governor's Coordinator on Homelessness to "Coordinator on Homelessness". Specifies that the Coordinator on Homelessness shall report directly to the Director of Human Services. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

