



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 431, H.D. 2

February 24, 2025
12:00 p.m.
Room 308 and Videoconference

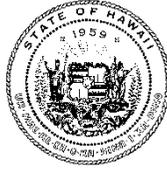
RELATING TO HOUSING

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

House Bill (H.B.) No. 431, H.D. 2, appropriates an unspecified amount of general funds in both FY 26 and FY 27 to the Office of the Governor for the continued operation of the Kauhale Initiative and provides that the appropriations may be transferred to designated departments or agencies for expenditure; establishes the Supportive Housing Special Fund (SHSF) to be administered by the Hawai'i Housing Finance and Development Corporation (HHFDC) to facilitate the development, operation, and maintenance of mixed-income rental housing projects with supportive housing provisions for individuals and families with special needs; and appropriates an unspecified amount of general funds in both FY 26 and FY 27 for deposit into the SHSF and appropriates an unspecified amount of special fund ceiling for the SHSF in both FY 26 and FY 27 for HHFDC.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 431, H.D. 2, it is difficult to determine whether the proposed SHSF would be self-sustaining.

Thank you for your consideration of our comments.



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
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, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE
FEBRUARY 24, 2025, 12:00 PM

HOUSE BILL 431, HD2
RELATING TO HOUSING

Chair Yamashita, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit testimony on House Bill 431 HD2. The State Procurement Office (SPO) appreciates the intent of this bill and recommends that the procurement exemption language noted below be removed

Section 4, Page 10, lines 2 to 6:

§201H- Supportive housing special fund. (f) "...supportive housing and services. The corporation shall ~~be exempt from~~ comply with chapter 103D in selecting a qualified private or nonprofit organization to assist with the development and maintenance of supportive housing and provision of rental assistance and supportive services. The corporation may...."

Exemptions to the Hawaii Procurement Code have always been a concern of the SPO. As stated in the National Association of State Procurement Officials (NASPO) white paper on "Ethics and Accountability," "Maintaining the integrity of public procurement is one of the most important pillars of government."

Chapter 103D, HRS, 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 Chapters 103D and 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. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials states that “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.”

Thank you.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 24, 2025

The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Yamashita, and Committee members:

SUBJECT: HB431 HD2 Relating to Housing

The Hawaii State Council on Developmental Disabilities **STRONGLY SUPPORTS HB431 HD2**, which appropriates funds for the continued operation of the Kauhale Initiative and authorizes those funds to be used for the Ohana Zones Pilot Program. Establishes and appropriates funds into and out of the Supportive Housing Special Fund. Effective 6/29/3000. (HD2)

This bill represents a critical step forward in meeting the housing needs of Hawai'i's most vulnerable populations, including individuals with intellectual and developmental disabilities (I/DD). Hawai'i's I/DD population often faces significant barriers to accessing safe, stable, and affordable housing. Individuals with I/DD are more likely to experience unemployment, limited income, and social isolation, making it exceedingly difficult to secure independent housing. HB431 HD2 provides a pathway to addressing these systemic challenges by ensuring that housing is affordable and integrated with services necessary for residents to thrive.

Supportive services funded under this bill, such as case management, life skills training, and assistance with daily living activities, are vital for individuals with I/DD to live independently and participate fully in their communities. The promotion of mixed-income rental housing developments, as outlined in HB431 HD2, fosters inclusive environments where individuals with I/DD can live alongside diverse populations. This approach reduces stigma and encourages greater community understanding and acceptance of individuals with disabilities.

By addressing housing insecurity and ensuring access to integrated support services, HB431 will enable individuals with I/DD to live more independently and with dignity, reduce

reliance on costly institutional care or emergency services, and improve overall health, social inclusion, and quality of life for individuals with I/DD.

The DD Council believes that the passage of HB431 HD2 will have transformative impacts on Hawai'i's I/DD community, providing them with the stability and support they need to lead fulfilling and independent lives. We urge you to pass this bill to ensure that the needs of individuals with I/DD and other vulnerable populations are prioritized in Hawai'i's housing solutions. Thank you for the opportunity to submit testimony in **strong support of HB431 HD2.**

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 23, 2025

TO: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 431 HD2 – RELATING TO HOUSING.**

Hearing: February 24, 2025, 12:00 p.m.
Conference Room 308 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this measure that invests in the Kauhale initiative and permanent supportive housing as strategies to reduce homelessness. DHS requests an amendment and provides comments. DHS defers to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Department of Budget & Finance on special funds and prefers that any appropriation align with and not reduce or replace budget priorities identified in the executive budget.

DHS respectfully requests reconsideration of the amendment requiring at least two bids for Kauhale projects over \$1 million. The administration has reconsidered this requested amendment, see page 6, lines 15-18, and clarifies that when an emergency proclamation is in effect related to homelessness and includes Kauhale or Ohana Zones pilot program projects, the developing agency may still consider more than one bid for any project. When there is no emergency proclamation in effect, these projects should follow the State Procurement Code or exemption provided by statute or session law. DHS is also concerned that the two-bid minimum may delay project development in certain communities if only one bid is received.

For these reasons, DHS respectfully requests that the provision regarding at least two bidders for a Kauhale project estimated cost of over \$1 million be deleted (page 6, lines 15-18).

PURPOSE: The bill appropriates funds for the continued operation of the Kauhale Initiative and authorizes those funds to be used for the Ohana Zones Pilot Program. Establishes and appropriates funds into and out of the Supportive Housing Special Fund. Effective 6/29/3000. (HD2)

The House Committee on Human Services & Homelessness amended the measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Deleting language that attempted to prevent the proper lapse of a general fund appropriation at the end of the fiscal biennium for which the appropriation was made;
- (3) Deleting language that would have established the Kauhale Initiative Special Fund;
- (4) Inserting language that appropriates an unspecified amount to assist the Statewide Office on Homelessness and Housing Solutions in implementing the Kauhale Initiative;
- (5) Changing the effective dates to June 29, 3000, and July 1, 3000, respectively, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

The Committee on Housing further amended the measure by:

- (1) Expanding the authorized uses of funds appropriated for the Kauhale Initiative;
- (2) Authorizing funds appropriated for the Kauhale Initiative to be used for the Ohana Zones Pilot Program established under Act 209, Session Laws of Hawaii 2018;
- (3) Requiring at least two bidders for any Kauhale project estimated to be over \$1,000,000 if appropriated funds are used to contract for the procurement of building services and projects related to the Kauhale Initiative;
- (4) Deleting the unspecified appropriation to the Statewide Office on Homelessness and Housing Solutions to implement the Kauhale Initiative; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

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 DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 24, 2025 at 12:00 p.m.
State Capitol, Room 308

In consideration of H.B. 431 HD2 RELATING TO HOUSING.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** HB 431 HD2, which appropriates funds for the Kauhale Initiative. It also establishes and appropriates funds into and out of the Supportive Housing Special Fund administered by the Hawaii Housing Finance and Development Corporation (HHFDC). HHFDC supports the measure so long as it does not adversely impact priorities identified in the Executive Budget Request for FY 2026.

HHFDC agrees that supportive housing is an innovative solution to house special needs populations, including the chronically homeless, individuals with disabilities, individuals transitioning from incarceration, youth aging out of foster care, domestic violence survivors, veterans, those suffering from substance abuse, and the frail elderly.

HHFDC recognizes the need for a dedicated funding source to assist individuals with special needs. The Supportive Housing Special Fund is a new financing tool that will help HHFDC to facilitate the development of supportive housing units in standalone projects or integrated in mixed-income rental housing projects.

HHFDC requests \$175,000 for one full-time equivalent (1.0 FTE) housing finance specialist I position needed to help administer the supportive housing special fund.

Thank you for the opportunity to testify on this bill.



Senate Committee on Housing

Hearing: Monday, February 24th, 2025

TESTIMONY IN SUPPORT OF HB431: RELATING TO HOUSING.

The Hawaii State Youth Commission (HiYC) was established to “advise the governor and legislature on the effects of legislative policies, needs, assessments, priorities, programs, and budgets concerning the youth of the state.” We are writing in support of HB431.

The youth of today are faced with the issue of affordable housing. It has been known for a while that the state of Hawai'i has one of the highest costs of living in the country. As this problem only grows in size, so does our worry for the fates of our youths in the state, as we are the upcoming generation that will be entering the workforce and will soon be looking for homes of our own.

This is why it is concerning to us, as youth, that our state does not have enough legislation and social programs in place to help the people who are already, or at risk of being, houseless in the state. Social programs like the Kauhale Initiative are meant to act as a safety net for our people in times of great need, acting as a community that gathers together to build better foundations.

We believe that the housing crisis is a generational matter. Therefore, if nothing is done about this quickly, it will disproportionately impact the upcoming generation of youths, who will need all the support we can get. It is the government's responsibility to protect and serve the people of Hawai'i, especially our youth. For this reason, we urge the Committee to pass this bill, and we believe that this can be a great benefit to the at-risk youth of the state.

Thank you for your consideration of our testimony in support of this important bill,

The Hawai'i State Youth Commission.

hawaiistateyc@gmail.com



OHA Testimony in Support of HB431 HD2
RELATING TO HOUSING
COMMITTEE ON FINANCE

February 24, 2025

12:00 p.m.

Conference room 430

Aloha e Chair Yamashita, Vice Chair Takenouchi, and members of the House Committee on Finance:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB431 HD2**, which supports the Kauhale initiative in reducing homelessness, creating affordable housing, and fostering community. We recognize that physical solutions by themselves will not solve social and economic problems, but neither can economic vitality, community stability, and mental & physical health be sustained without supportive physical framework of having stable housing options.

This bill is crucial as it marks a significant step towards addressing the housing crisis across the state of Hawai'i. We acknowledge housing is the highest cost item for Hawai'i families. Housing affordability has become increasingly challenging, particularly for Native Hawaiian families who seek to reside in Hawai'i. The growing affordable housing problem is one of the most critical issues faced by our communities, especially our Native Hawaiian communities. Many kama'aina families struggle to find adequate housing and to make ends meet. A significant portion of the homeless population identifies as Native Hawaiian¹.

The Supportive Housing Special Fund would support the efforts of stable housing and supportive services to vulnerable populations of Hawai'i. This finance mechanism will assist Hawai'i Housing Finance and Development Corporation (HHFDC) to facilitate, coordinate, and maintain Kauhale facilities and services. This will address 'Ohana zones Pilot Program established under Act 209 that work towards providing a mix use of options for unsheltered individuals, and others with special housing needs: including persons with addictions, youth aging out of foster care, domestic violence survivors, kupuna, people with mental illness,

¹ Homeless point-in-time count. (n.d.).

https://www.btghawaii.org/media/uploads/2024_btg_pit_count_report_final.pdf

chronic health conditions, histories of trauma and other barriers. Stable housing and adequate resources of treatment allow for the person to move towards permanent housing, inclusion of community, and better health overall. The center for budget and policy priorities found that people offered supportive housing spent 23 % fewer days in hospitals, had 33 % fewer emergency room visits, and spent 42 % fewer days in nursing homes over a year. Furthermore, supportive housing reduces recidivism. A study by Hawaii based organization Partners in Care revealed that the recidivism rate for individuals who received housing support was 12.8% versus 50% without housing support. This indicates that stable housing and intervention services offered through initiatives such as Kauhale have great impact on justice involved individuals.

This initiative is in line with OHA's mission to improve the conditions of Native Hawaiians and ensure their equitable access to quality housing, education, healthcare, and economic opportunities. It reflects our commitment to advancing the well-being of our beneficiaries and the broader community. Addressing homelessness and affordable housing issues is a multi-prong approach.

OHA supports HB431 HD2, which aims to meet the urgent need for affordable housing and address homelessness. Mahalo for your attention and commitment to enhancing the well-being of our community we ask that the Committee **PASS** this measure.

OFFICE OF HOUSING
KE KE'ENA HO'OLĀLĀ KŪKULA HALE
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4675 • FAX: (808) 768-4242 • WEBSITE: www.honolulu.gov/housing

RICK BLANGIARDI
MAYOR
ME/IA



KEVIN AUGER
EXECUTIVE DIRECTOR
PO'O HO'OKO

February 21, 2025

2025-HOU-027

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

SUBJECT: Testimony in Support of HB431, HD2 – Relating to Housing
Hearing: Mon., Feb. 24, 2025, 12 p.m. at the State Capitol, Rm. 308

The Office of Housing **supports** HB431, HD2, which would establish and appropriate funding for a Supportive Housing Special Fund under the Hawai'i Housing Finance and Development Corporation (HHFDC) to support the development and operations of supportive housing, and would also ensure the continuation of the kauhale initiative. We recognize the necessity of facilitating housing across all incomes to address the full spectrum of need for our residents. This bill would support community members who are most at-risk of homelessness or may already be experiencing homelessness, and would facilitate the creation of units that can be very challenging to make financially feasible.

Supportive housing is a type of housing specifically for higher-needs persons that combines housing units with rent subsidization and supportive services. This type of housing serves households that may not otherwise be able to remain stably housed and assists a wide variety of populations, including individuals transitioning from incarceration, youth aging out of foster care, those experiencing homelessness, community members challenged by mental illnesses, and persons with intellectual, developmental, or physical disabilities. Supportive housing is a highly effective housing intervention that helps not only those housed by these programs, but also lowers cost burdens on our public systems, including our healthcare and incarceration systems.

We appreciate the introduction of this important measure that would increase supportive housing options for the most vulnerable members of our community.

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
February 21, 2025
Page 2

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin D. Auger", written in a cursive style.

Kevin D. Auger
Executive Director

APPROVED:

A handwritten signature in black ink, appearing to read "Michael D. Formby", written in a cursive style.

Michael D. Formby, Managing Director Designate
Office of the Managing Director



HB431 HD2 Kauhale

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Jenna Takenouchi, Vice Chair

Monday, Feb 24, 2025: 12:00: Room 308 Videoconference

Hawaii Substance Abuse Coalition Supports HB431 HD2:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery-oriented services.

HSAC notes that formal treatment, such as residential and outpatient will be critically needed for Kauhale residents to achieve functionality and recovery.

Studies show that once housed, feeling safe and stable, many homeless voluntarily seek substance abuse treatment because they want improved functionality.

Residential and Outpatient Substance Use Disorder funding has been reduced at a time when studies indicate that housed homeless will need these critical services.

- **For example, 50-60% of individuals in Housing First programs engaged in substance use disorders treatment** when supportive services were offered. Programs offering integrated care (housing, food, medical care, and counseling) report higher engagement in substance abuse treatment, with rates often exceeding 50% in some cases.
- **After safe housing, homeless still are at elevated risk for experiencing substance use disorders (SUDs), mental disorders, trauma,** medical conditions, employment challenges, and incarceration. Both treatment and housing needs must be concurrently addressed.¹
- Substance use, mental health, medical care, and social supports services are critical for mitigating risks of SUDs and mental disorders and improving health outcomes.

¹ Substance Abuse and Mental Health Services Administration. (2021). Behavioral Health Services for People Who Are Homeless. Advisory. [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://library.samhsa.gov/sites/default/files/pep20-06-04-003.pdf](https://library.samhsa.gov/sites/default/files/pep20-06-04-003.pdf)

- Programs using the “Housing First” model prioritize stable housing without requiring sobriety or participation in substance abuse treatment as a condition for housing. Once stabilized, motivational interviewing and harm-reduction strategies can encourage more people to pursue treatment.
- Many homeless individuals with substance use disorders also struggle with mental health conditions. Addressing these conditions alongside addiction increases the likelihood of seeking and remaining in treatment.

Residential and intensive outpatient treatment is vital for individuals who need intensive, round-the-clock care, particularly when addiction is severe or compounded by complex personal, social, or psychological challenges. It provides the stability and resources needed to build a strong foundation for lasting recovery.

Providing stable housing and basic necessities significantly increases the likelihood that individuals will consider and engage in substance abuse treatment. **Hawaii needs to be prepared for large numbers of Kauhale residents asking for treatment just at the time when capacity is insufficient to meet this need.**

We appreciate the opportunity to provide testimony and are available for questions.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 431 HD2: RELATING TO HOUSING

TO: House Committee on Finance
FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i
Hearing: Monday, 2/24/25, 12:00 PM; CR 308 & Videoconference

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

Catholic Charities Hawai'i strongly supports HB 431 HD2, which appropriates funds for the Kauhale Initiative, and funds into and out of the Supportive Housing Special Fund.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 years. CCH has programs serving elders, children, families, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawai'i. We assist over 40,000 people annually across the state and have a long history of addressing affordable housing and homelessness.

These initiatives are crucial steps towards addressing the homelessness crisis in Hawai'i. On Oahu, 62% of homeless persons are unsheltered. The **Kauhale Initiative** provides an opportunity for more rapid development of diverse options to help people move off the streets into transitional and bridge units that are much needed. Along with these options, a strong and ongoing focus on deeply affordable permanent housing is KEY to ending homelessness.

The proposed **Supportive Housing Special Fund** is particularly vital. It provides a structured financial mechanism to integrate development, operations, and supportive services—ensuring that vulnerable populations receive not just shelter, but the assistance needed to maintain housing stability. By centralizing funding and coordination under the Hawai'i Housing Finance and Development Corporation (HHFDC), the system would become more transparent and efficient, benefiting developers, service providers, and, most importantly, individuals in need.

Addressing chronically homeless individuals and those with special housing needs—such as veterans, persons with addictions, aging-out foster youth, domestic violence survivors, developmentally disabled persons and frail elders—is a moral and financial imperative. Without supportive housing, many of these individuals may face institutionalization, costly emergency interventions, or even premature death, as tragically exemplified by the recent case of a medically fragile kupuna. *CCH was assisting a kupuna living on the streets who died a week before we obtained an emergency voucher to provide housing. This bill could have saved her life.*

Catholic Charities Hawai'i urges your support for this bill. Both the Kauhale and the Supportive Housing Initiatives are needed to address this huge issue. Please approve significant funding that will bring hope to persons who need ongoing supportive services to remain in our communities.

If you have any questions, please contact our Legislative Liaison, Betty Lou Larson, at (808) 527-4813.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808) 527-4813 •





The Institute for Human Services, Inc.
Ending the Cycle of Homelessness

TO: Honorable Rep. Kyle T. Yamashita
Chair, House Committee on Finance

Honorable Rep. Jenna Takenouchi
Vice Chair, House Committee on Finance

FROM: Angie Knight, Community Relations Manager
IHS, Institute for Human Services, Inc.

RE: HB 431 HD2 - Relating to Housing

DATE: February 21, 2025

POSITION: IHS supports the passing of HB 431 HD2

IHS, The Institute for Human Services, supports the passing of HB431 HD2. Since it began in 2016, the Kauhale Initiative has been able to establish temporary housing and shelter for a wide range of individuals experiencing homelessness. The initiative allows the homeless services' continuum of providers to hone in on specific populations and address specialized needs, helping more individuals get into shelter and off the streets and further on their path to permanent housing, such as formerly homeless families, those in substance use recovery, reentry following incarceration, and more.

Expanding the budget for the Kauhale Initiative allows current providers' operating sites to have stability for programs to help individuals within their care and more in the coming years. Moreover, it allows the creation of new sites with different focus populations. Moreover, creating a special fund to promote the development of permanent supportive housing addresses one of our community's current bottlenecks: individuals ready for permanent housing but with few options for the supportive services they need at their often fixed income rate.

Mahalo, thank you for the opportunity to testify and support the passing of this critical legislation to fund part of our homeless service's continuum of care.



HAWAI'I COMMUNITY FOUNDATION

TO: House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair; and
Members of the Committee

FROM: Micah Kāne, Chief Executive Officer & President

RE: Testimony in Support for HB 431 HD 2 Relating to Housing

Date: Monday, February 24, 2025 at 12:00pm

Place: Hearing Room 308

The Hawai'i Community Foundation (HCF) supports HB 431 HD 2, which continues to fund and support the Kauhale Initiative to provide creative solutions to combat homelessness. In addition, the bill bolsters the state's efforts to create safe supportive housing options for the community.

HCF's CHANGE Framework identifies six essential sectors for commitment to create a better Hawai'i. The goals of HB 431 HD 2 fit within both the "C" sector for Community-Centered Economy and "H" sector for Health and Wellness.

Hawai'i faces one of the highest homelessness levels of any state, currently experiencing a rate of more than 40 houseless residents per 10,000 individuals. The high cost of living, relative low wages, and limited housing supply create a challenging environment that push many individuals and families to make difficult choices about how to spend their limited resources. Just one financial setback can be the difference between skipping a meal, forgoing desperately needed medicine, or missing a rental payment. For anyone that loses the security of their own home, it is imperative to find a new, stable shelter as quickly as possible.

The Kauhale Initiative is just the type of solution that Hawai'i needs. It promotes cost-effective shared spaces, that allow residents to take ownership and responsibility for the physical place and each other. By expanding this program, the state can provide a greater safety net for the most vulnerable population. Furthermore, the supportive housing programs facilitate care and treatment opportunities for individuals with disabilities, those dealing with mental health illnesses, others battling substance abuse, and more. These services are critical to facilitate healing and stability.

HCF supports the Kauhale Initiative because it has already demonstrated success. By appropriating additional funds, the state can continue its efforts to reduce homelessness and demonstrate the care and compassion that is appropriate when assisting people that are facing these tremendous challenges.

Thank you for considering HCF's testimony in support of HB 431 HD 2. Homelessness is a critical issue for all of Hawai'i and the potential benefits of these sensible programs will be felt far and wide.



Young Democrats of Hawai'i

Executive Board:

Cori Terayama
President

Cameron Deptula
Vice-President

Jimmy Nguyen
Secretary

Isaiah Baclaan
Treasurer

Cindy Ng
**Young Democrats of
America National
Committeewoman**

Maria Glodilet Rallojay
**Membership and Events
Director**

Dave Nagaji
Campaign Director

Jennifer Tse
Internal Affairs Director

February 24, 2025

**RE: Testimony in Support of HB431 HD2, Relating to Housing
Hearing Date: Monday, February 24, 2025 at 12:00PM
Conference Room: 308**

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the House Committee on Finance,

The Young Democrats of Hawai'i (YDHI) **SUPPORTS HB431 HD2, RELATING TO HOUSING.**

HB431 HD2 would appropriate funds for the continued operation of the Kauhale Initiative and authorizes those funds to be used for the Ohana Zones Pilot Program and would also establish and appropriate funds into and out of the Supportive Housing Special Fund. Effective 6/29/3000.

YDHI supports this bill because young adults, particularly those who are aging out of foster care or facing financial struggled, would benefit immensely from deeply affordable and permanent housing. As the cost of living continues to rise while wages fail to keep pace, young adults are at serious risk of homelessness.

The Kauhale Initiative is more than just another affordable housing option—it has the potential to foster a supportive, intergenerational community where residents can share resources, learn from one another, and develop a strong sense of belonging. Stable housing provides young adults with the foundation they need to pursue education, secure employment, and build pathways to long-term success. Without deeply affordable housing, many will continue to struggle in a cycle of poverty and housing instability. Investing in the Kauhale Initiative is an investment in the future, ensuring that young adults have the opportunity to achieve independence and contribute meaningfully to their communities.

YDHI is an organization whose mission is to increase the political strength of young democrats between 18 and 35 years old by providing opportunities for civic engagement, political advocacy, and participation in the Democratic Party of Hawai'i. YDHI consists of over 1,600 members.

Mahalo nui loa for the opportunity to testify in SUPPORT of HB431 HD2, RELATING TO HOUSING.

TESTIMONY IN SUPPORT OF HB 431, HD 2

TO: Chair Yamashita, Vice Chair Takenouchi, & FIN Committee Members

FROM: Nikos Leverenz
Policy & Advancement Manager

DATE: February 24, 2025 (12:00 PM)

Hawai'i Health & Harm Reduction Center (HHRC) **strongly supports** HB 431, HD 2, which would provide funding for the Kauhale Initiative.

The bill addresses homelessness in Hawai'i by funding the Kauhale Initiative and establishing a Supportive Housing Special Fund to develop, operate, and maintain affordable housing for individuals with special needs, such as those recovering from addiction, formerly incarcerated individuals, and domestic violence survivors.

HHRC strongly supports this bill because stable housing is critical to improving health outcomes, reducing reliance on emergency services, and enhancing overall community well-being. By investing in housing-first solutions with wraparound services, the bill fosters long-term stability and resilience for Hawai'i's most vulnerable populations. This legislation is a crucial step in reducing chronic homelessness while promoting public health, safety, and harm reduction.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i 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, and have also been deeply impacted by trauma related to histories of physical, sexual, and psychological abuse.

Mahalo for the opportunity to provide testimony.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB431 HD2 - Relating to Housing
House Committee on Finance
Monday, February 24, 2025 at 12:00PM Conf. Rm. 308 and via Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

Mahalo for the opportunity to testify in **strong support of HB431 HD2**, which would establish and appropriate funds into the Supportive Housing Special Fund and appropriate funds for the state's Kahaule initiative. This bill represents a critical step toward reducing chronic homelessness, promoting public health, and enhancing social stability

Hawai'i has **one of the highest per capita homelessness rates** in the nation, with the **2024 Point-in-Time Count** reporting **6,389 individuals experiencing homelessness** statewide. There is an urgent need to support our unsheltered community.

HB431 HD2 recognizes that housing is the solution to homelessness. The Kahaule Initiative facilitates the rapid development of transitional and bridge housing options to help people move off the streets into stable shelter. By appropriating funds for this initiative, HB431 HD1 enables the state to continue providing flexible, community-driven housing models that address short-term housing needs.

While these temporary solutions are essential, *permanent* deeply affordable housing remains key to ending homelessness. The state will be able to provide such units through the establishment and appropriations of the Supportive Housing Special Fund under HHFDC to fund three critical components:

1. Cost of development of supportive housing units.
2. Cost of operations and maintenance, including rental assistance.
3. Cost of provision of supportive services.

The SHSF will improve coordination between housing development, rental assistance, and support services to create an effective and transparent system for service providers, developers, and vulnerable populations. These target populations include homeless individuals, domestic violence victims, kupuna, disabled persons, youth, veterans, and other groups with acute needs.

The SHSF will facilitate the development of mixed-income rental housing projects with dedicated units for supportive housing. By integrating supportive units into broader housing developments, HHFDC will be able to ensure fiscal viability. Mixed-income rental housing also allows these individuals to live alongside diverse populations, which is critical to supporting long-term stability. With the addition of funds being able to be used for rental assistance, the SHSF enables deep affordability for individuals who would otherwise not be able to afford shelter.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB431 HD2 - Relating to Housing
House Committee on Finance
Monday, February 24, 2025 at 12:00PM Conf. Rm. 308 and via Videoconference

Supportive housing programs have placed hundreds of homeless families and those at risk into safe housing. The supportive, wraparound services include essential services such as case management, counseling, and employment support to help tenants overcome barriers to permanent housing and independence.

Studies consistently show that when individuals gain access to stable housing, they are more likely to voluntarily engage in substance use disorder treatment, mental health services, and other economic mobility opportunities. Housing First programs nationwide report that 50-60% of residents participate in substance abuse treatment when services are provided, demonstrating the critical role of supportive housing in promoting self-sufficiency and well-being.

Stable housing leads to better health outcomes and reduces reliance on emergency services, while fostering community well-being and public safety. Continued state investment in housing-first solutions is essential for building a resilient, inclusive, and healthy Hawai'i. We urge the committee to pass HB431 HD2.

Mahalo for the opportunity to testify.



PARTNERS
IN CARE

PARTNERS IN CARE
O'ahu Continuum of Care

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

TO: House Committee on Finance
RE: **Strong Support HB431 HD2** - Relating to Housing

Hawai'i State Capitol, Conference Room 308 & Via Videoconference
Monday, February 24, 2025, 12:00PM

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Partners in Care (PIC), O'ahu's Continuum of Care, **strongly supports HB431 HD2**, which would establish and appropriate funds into the Supportive Housing Special Fund and appropriate funds for the state's Kauhale Initiative. This bill represents a critical step toward reducing chronic homelessness, promoting public health, and enhancing social stability.

Partners in Care (PIC) is a coalition of homeless service providers working to end homelessness across Hawai'i. As a network of nonprofit organizations, government agencies, and community advocates, we understand the urgent need for comprehensive and sustainable solutions to Hawai'i's homelessness crisis.

Hawai'i has one of the highest per capita homelessness rates in the nation, with the 2024 Point-in-Time Count reporting 6,389 individuals experiencing homelessness statewide. The Kauhale Initiative facilitates the rapid development of transitional and bridge housing options to help people move off the streets into stable shelter. By appropriating funds for this initiative, HB431 HD2 enables the state to continue providing flexible, community-driven housing models that address short-term housing needs while working toward long-term solutions.

The bill also recognizes that deeply affordable permanent housing remains key to ending homelessness. The establishment and appropriation of the Supportive Housing Special Fund (SHSF) under the Hawai'i Housing Finance and Development Corporation (HHFDC) will provide critical funding in three key areas:

1. Cost of development of supportive housing units.
2. Cost of operations and maintenance, including rental assistance.
3. Cost of provision of supportive services.

By improving coordination between housing development, rental assistance, and supportive services, the SHSF will create an effective and transparent system for service providers, developers, and vulnerable populations. The target populations include individuals experiencing homelessness, domestic violence survivors, kupuna, persons with disabilities, youth, veterans, and other groups with acute housing needs.

The SHSF will also support the development of mixed-income rental housing projects with dedicated supportive housing units, ensuring fiscal viability while integrating vulnerable individuals into diverse communities that promote long-term stability. The inclusion of rental assistance funding ensures that deeply affordable units are available to those who need them most.

PARTNERS IN CARE- O'ahu Continuum of Care

200 North Vineyard Boulevard • Suite A-210 • Honolulu, Hawaii 96817 • www.PartnersinCareOahu.org



PARTNERS
IN CARE

PARTNERS IN CARE

O'ahu Continuum of Care

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

Supportive housing programs have successfully placed hundreds of homeless families and individuals into safe, stable housing, providing them with essential wraparound services, including case management, counseling, and employment support. Studies show that when individuals gain access to stable housing, they are more likely to engage in substance use disorder treatment, mental health services, and other opportunities for economic mobility. Nationwide, Housing First programs report that 50-60% of residents voluntarily participate in substance abuse treatment when services are provided in supportive housing environments.

Stable housing leads to better health outcomes, reduces reliance on emergency services, and fosters public safety. Continued state investment in housing-first solutions is essential for building a resilient, inclusive, and healthy Hawai'i.

Partners in Care strongly urges the committee to pass HB431 HD2 to expand transitional and permanent supportive housing, ensuring that Hawai'i's most vulnerable residents have access to the housing and services they need.

Mahalo for your time and consideration.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
Monday, February 24, 2025 AT 12:00 P.M.

To The Honorable Representative Kyle T. Yamashita, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

SUPPORT HB431 HD2 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS HB431 HD2** which appropriates funds for the continued operation of the Kauhale Initiative and authorizes those funds to be used for the Ohana Zones Pilot Program; and establishes and appropriates funds into and out of the Supportive Housing Special Fund.

The Chamber recognizes that Hawaii has the highest homelessness rate per capita in the nation. The 2024 Point In Time Count reported a total of 6,389 individuals experiencing homelessness in the State. The majority are on Oahu, with 4,494, followed by Hawaii (718), Maui (654), and Kauai (523).

As we have stated previously, housing remains a critical need across the state, and particularly in Maui County. We are excited about the Kauhale Initiative and are encouraged to see a number of these communities beginning to take shape throughout the state.

Addressing the housing crisis and rising rents requires a combination of solutions, and we are hopeful that more Kauhale will be developed on Maui.

For these reasons, the Maui Chamber of Commerce fully **supports HB431 HD2** and respectfully urges its passage.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Support for HB431

Aloha e Senators, Chair, Vice Chair:

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai'i. LIMBY Hawai'i is a hui of concerned kama'āina and kānaka working to help develop solutions to our state's housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible so instead they promote building housing that gets bought by overseas investors. ***We know we won't solve our housing woes without building more, but we won't solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama'āina and kānaka will be LIMBY or Las Vegas.

Bill 431 is an important part of that process, providing housing for those most in need of it. Kauhale are an essential part of how Hawaii resolves its homelessness. We should all support funding Kauhale for the benefit of the homeless, for the safety of our communities, to minimize strain on healthcare services, and for environmental reasons.

Makana Hicks-Goo,
Organizer on behalf of LIMBY Hawaii



PACIFIC HOUSING
ASSISTANCE CORPORATION
888 Iwilei Road, Suite 200
Honolulu, Hawaii 96817

In Support of HB431 HD2

Hawaii Rep. Kyle T. Yamashita, Finance Committee Chair
Hawaii Rep. Jenna Takenouchi, Finance Vice Chair
Members of the Finance Committee

Pacific Housing Assistance Corporation, a Hawaii-based nonprofit, develops and manages affordable housing for very low—to moderate-income families, seniors, and individuals with special needs. Over the past 44 years, we've collaborated with nonprofit service providers to construct, acquire, or renovate 31 projects, offering 338 permanent supportive housing units for very low-income individuals with physical, intellectual, developmental, and severe mental disabilities and other special needs populations.

We strongly support HB431 HD2, which seeks to continue implementing the Kauhale initiative, establish the supportive housing special fund, and allocate critical funding to address the increasing needs of Hawaii's homeless and special needs population.

There is a critical need for affordable rental housing that combines supportive services and rental assistance to promote stability, health, and independence for veterans, formerly incarcerated individuals, domestic violence survivors, people with disabilities, youth aging out of foster care, and others.

This legislation enhances Hawaii Housing Finance and Development Corporation's ability to collaborate with developers to create supportive housing units for stand-alone or mixed-income rental projects. The flexible funding provided through HB431 HD2 will play a key role in supporting development, operational costs, and delivering essential supportive services across the state.

The bill's emphasis on partnerships among government agencies, non-profit organizations, and private sector stakeholders aligns with PHAC's mission to promote sustainable housing solutions. Supportive housing is more than just a response to housing challenges. It is a foundation for building strong, inclusive communities where individuals can thrive.

Thank you for the opportunity to submit testimony in support of HB431 HD2. We appreciate your commitment to ensure Hawaii continues to build on the progress made through the Kauhale initiative and to address the critical housing needs of our most vulnerable residents.

Sincerely,

Audrey E. Awaya
Executive Director

Monday, February 24, 2025

Rep. Kyle Yamashita, Chair, House Committee on Finance

Members of the House Committee on Finance

Testimony in support of H.B. 431, H.D. 2, Relating to Supported Housing

Thank you for this opportunity to provide written testimony on H.B. 431, H.D. 2. My name is Sandra Oshiro, and I coordinate the Hawaii Young Adults in Transition, a support group for individuals on the autism spectrum and their families.

H.B. 431 seeks to serve populations in the state who are homeless or in danger of homelessness. Among them are those with intellectual or developmental disabilities, including individuals with autism spectrum disorder (ASD) such as my daughter. ASD is a growing health issue and a lifelong disability. The U.S. Centers for Disease Control and Prevention estimates that it now affects 1 in 36 people.

Many adults on the autism spectrum have difficulty finding employment and housing because of intellectual, communication, and mental health challenges. Without the support of family members, including aging parents who will soon be unable to care for them, individuals with ASD can find themselves living on the streets.

By funding supportive housing, this bill helps ensure individuals with disabilities receive not just shelter, but also essential wraparound services such as case management, job training, and healthcare access. Current affordable housing programs, while important, often lack accommodations that serve the needs of people with IDD. The bill would ensure funding is available to create and sustain housing with built-in supports. Given stable, supported housing, individuals with IDD can contribute to their communities through employment, volunteerism, and civic engagement.

The bill's flexibility in funding mixed-income rental projects helps ensure that IDD individuals are integrated into the community rather than segregated in siloed housing. The proposal aligns with federal priorities such as the Olmstead decision, which mandates community-based living for individuals with disabilities whenever appropriate.

States that have invested in supportive housing for IDD populations have seen long-term success in reducing homelessness and improving individuals' quality of life. We urge you to support H.B. 431 as a necessary step toward ensuring stable, inclusive, and sustainable housing for people who are among the most vulnerable in our communities.

Thank you,

Sandra Oshiro

ssoshiro@gmail.com