

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

January 26, 2025

TO: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services & Homelessness

FROM: Ryan I. Yamane, Director

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

Hearing: January 28, 2025, 9:00 a.m.
Conference Room 239 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and provides comments. DHS defers to the Hawaii Housing Finance and Development Corporation (HHFDC), the Department of Budget & Finance (B&F), the State Office on Homelessness & Housing Solutions (SOHHS), and the Counties. DHS respectfully requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

PURPOSE: Appropriates funds for the Kauhale Initiative. Establishes and appropriates funds into and out of the Supportive Housing Special Fund. Establishes the Kauhale Initiative Special Fund.

DHS provides the following comments:

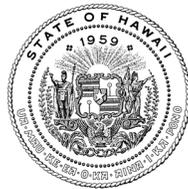
- **Kauhale—continued operations.** Part II, Section 2: The Governor has requested \$50M in general funds per year for HMS 777, the program ID for the SOHHS, in the executive budget.
- **Permanent Supportive Housing.** Regarding Part III, DHS agrees that additional funds are needed to develop permanent supportive housing projects. However, some

effort and consideration should be made to include particular permanent supportive housing in mixed-income projects to reduce isolation and allow residents receiving permanent supportive housing to benefit from amenities and services that are available in the mixed-income community.

- Kauhale Initiative Special Fund. Regarding Part IV, which establishes the Kauhale Initiative Special Fund in Chapter 346, Hawaii Revised Statutes (HRS), as of yet, the Kauhale Initiative and Ohana Zones Pilot Program only exist in session laws and are not yet part of the HRS or permanent law. Use of the Kauhale Initiative Special Fund may benefit from some underlying programmatic statutory language to maintain oversight and transparency.

Additionally, DHS is concerned that special fund assessments may reduce funds available for the Kauhale Initiative and respectfully suggests that a recurring budget appropriation to HMS 777 or other appropriate program ID be made instead of establishing a special fund. Furthermore, section 346-8, HRS, authorizes DHS to accept and deposit funds from any source with the Director of Finance to carry out any purpose in the chapter.

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



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 HUMAN SERVICES AND HOMELESSNESS
ON
HOUSE BILL NO. 431

January 28, 2025
9:00 a.m.
Room 329 and Videoconference

RELATING TO HOUSING

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

House Bill (H.B.) No. 431 appropriates \$50,000,000 in general funds in both FY 26 and FY 27 to the Office of the Governor (GOV) for the continued operation of the Kauhale Initiative and provides that the appropriations may be transferred to designated departments or agencies for expenditure and shall not lapse at the end of FB 2025-27; establishes the Supportive Housing Special Fund (SHSF) to be administered by the Hawai'i Housing and Finance and Development Corporation to facilitate the development of mixed-income rental housing projects with supportive housing provisions for individuals and families with special needs; appropriates \$12,000,000 in general funds in both FY 26 and FY 27 for deposit into the SHSF and appropriates \$12,000,000 in special fund ceiling for the SHSF in both FY 26 and FY 27; and establishes the Kauhale Initiative Special Fund to be administered by the Office of Homelessness and Housing Solutions for the purposes of the Kauhale Initiative.

Regarding the indeterminate lapse date for the \$50,000,000 general fund appropriation to the GOV, B&F notes that pursuant to Article VII, Section 11, of the Constitution of the State of Hawai'i, no general fund appropriation shall be made for a period exceeding three years. Accordingly, any general funds appropriated in FY 26 or FY 27 should lapse no later than June 30, 2028.

Furthermore, 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, it is difficult to determine how either of the proposed special funds would be self-sustaining.

Thank you for your consideration of our comments.



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

January 28, 2025

The Honorable Representative Lisa Marten, Chair
House Committee on Human Services and Homelessness
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Marten and Committee Members

SUBJECT: HB431 Relating to Housing

The Hawai'i State Council on Developmental Disabilities (DD Council) **STRONGLY SUPPORTS HB431**, which appropriates funds for the Kauhale Initiative. Establishes and appropriates funds into and out of the Supportive Housing Special Fund. Establishes the Kauhale Initiative Special Fund.

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 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, 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

HB431 Relating to Housing

January 28, 2025

Page 2 of 2

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 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**

Sincerely,



Daintry Bartoldus

Executive Administrator



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

JOHN MIZUNO
DIRECTOR
STATEWIDE OFFICE ON HOMELESSNESS & HOUSING SOLUTIONS

Testimony of **John M. Mizuno**
Governor's Coordinator on Homelessness
Before the
**HOUSE COMMITTEE ON HUMAN SERVICES
& HOMELESSNESS**
Tuesday, January 28, 2025
9:00 a.m.
Conference Room 329, State Capitol

In consideration of
House Bill No. 431
RELATING TO HOUSING

Aloha Chair Marten, Vice Chair Olds, and Committee Members,

My name is John Mizuno. I am the Governor's Coordinator on Homelessness and the Director of the Statewide Office on Homelessness and Housing Solutions (SOHHS).

First, on behalf of my office and Governor Green, I want to thank the House of Representatives and the Majority Caucus for introducing HB431.

I am writing in strong support of **House Bill 431**, which will provide funds for the continued implementation of Governor Green's Kauhale Initiative. This bill also establishes a Kauhale Initiative special fund to assist the Statewide Office on Homelessness and Housing Solutions in our efforts to implement the Kauhale Initiative.

In addition, **HB 431** will establish and appropriate funds into and out of the supportive housing special fund to assist the Hawaii Housing Finance and Development Corporation (HHFDC) to facilitate the development of mixed-income rental housing projects in which some of the units are targeted to special needs individuals or families who require supportive services.

Homelessness in Hawaii is not just a statistic; it's a pressing issue that demands our immediate attention. For over a decade, our state has consistently ranked among the top five in rates of per capita homelessness. The most recent Point in Time Count (PIT Count) in January 2024 revealed that 6,389 people in our state were experiencing homelessness, with the majority on Oahu. These numbers are not just figures. They represent individuals and families in desperate need of our help. We cannot afford to delay in addressing this crisis.

While the issue of homelessness remains, Hawaii has made significant strides. In 2024, SOHHS set new priorities, including the ambitious goal of halving unsheltered homelessness during Governor Green's Administration's first term (by November 2026). This would mean transitioning approximately 2,200 people from the streets or remote areas to a home. Several of SOHHS's priorities focus on expanding the deeply affordable housing inventory for houseless individuals, including kauhale or communal housing. We are making progress, and with the Legislature's support, we can continue to move forward, seeking to become the first State in the union to cut chronic homelessness in half. This progress should give us all hope for a brighter future.

The Kauhale initiative is not just another housing project. It is a unique and innovative approach that strives to demonstrate new, cost-effective models of housing and healing. It is built on the foundation of community and responsibility among residents. Kauhale includes many housing types and is sometimes envisioned as tiny homes with shared bathrooms, dining, and cooking facilities. However, they could also be created in repurposed hotels, offices, buildings, dormitories, or apartment buildings. If deep affordability extends from communal responsibility (kuleana) and ownership is built into the design and program plan, any space could be adapted as a kauhale. This is what makes Hawaii and our kauhale initiative different and unique.

In 2024, SOHHS established seventeen Kauhale projects, and we recently added the Kulia I Ka Nuu Kauhale in Waianae in 2025, bringing the total to 18. Our goal is to build at least thirty Kauhale by November 2026, with at least three on each neighbor island. This ambitious plan is not just a government initiative but a collaborative effort that involves the Governor, the counties, private businesses, faith-based organizations, nonprofit organizations, service providers, and the community. Your support of HB431 will ensure the continued success of the Kauhale Initiative and its collaborative approach.

We want to request, within the Statewide Office of Homelessness and Housing Solutions, one full-time equivalent (1.0 FTE) Return to Home Homelessness Assistant position to help with the administration of the Return to Home Program statewide, along with being the leading resource position to provide timely information on all contracts and services under our office to the Legislature, media, and the public and to timely assist with homeless outreach services to match homeless with a shelter or kauhale. Our office has received several UIPA requests, and having a dedicated person with all relevant information ready to provide such documentation will significantly save my entire office time and work.

The Return to Home program has sent 137 mainland homeless back to their families on the mainland. Potentially saving Hawaii taxpayers \$11.2 million (Governor Green's State of the State addresses the cost to care for a homeless person not in stable housing, which is an average of \$82,000 per person per year not in stable housing).

John M. Mizuno Testimony on HB431
House Committee on Human Services & Homelessness
January 28, 2025
Page 3

Supportive Housing is affordable housing with wraparound support services for vulnerable individuals and families, including homeless individuals, domestic violence victims, kupuna, disabled, youth, veterans, and other sub-populations with acute needs. One example is the Fernhurst YWCA women's re-entry housing program on Oahu. Funded by SOHHS, the program provides housing, meals, education, and employment training for women recently released from a correctional facility, allowing them to transition to supportive housing with wraparound services and potential rental subsidies.

Thank you, Chair Marten, Vice Chair Olds, and Committee Members, for the opportunity to provide testimony in strong support of House Bill 431. I am grateful for your consideration of this important measure and the potential positive impact it could have on our community. Your attention to this issue is greatly appreciated.

Mahalo!

KAUA'I COUNTY HOUSING AGENCY

ADAM ROVERSI, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Adam P. Roversi
Director, Kaua'i County Housing Agency

Before the
House Committee on Housing
Tuesday, January 28, 2025, at 9:00 a.m.
Conference Room 329 & Videoconference

In consideration of
House Bill 431 Relating to Housing

Honorable Chair Luke A. Evslin, Vice Chair Tyson K. Miyake, and Members of the Committee:

The Kaua'i County Housing Agency **strongly supports** HB431, Kauhale Initiative Special Fund, that would establish and appropriate funds into and out of the Supportive Housing Special Fund.

These funds would continue to support the vital operations of our existing Supportive Housing Projects for homeless families at Kealaula on Pua Loke and Lima Ola Supportive Housing; both developed in partnership with the state. Kaua'i's Supportive Housing projects have placed hundreds of homeless families and families at imminent risk of becoming homeless including keiki, into safe shelter. At both Kaua'i Supportive Housing locations wrap-around support services are provided to address the tenants' individual roadblocks to permanent housing. The state's continued support of these services is an integral part of the solution to homelessness that all of Hawai'i's counties are facing.

Thank you for the opportunity to testify and for your consideration.

LATE





CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 431: RELATING TO HOUSING

TO: House Committee on Human Services & Homelessness
FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, 1/28/25; 9:00 AM; CR 329 & Videoconference**

Chair Marten, Vice Chair Olds, and Members, Committee on Human Services & Homelessness:

Thank you for the opportunity to provide testimony **in Strong Support HB 431**, which establishes and appropriates funds to a **Kauhale Initiative Special Fund** and a **Supportive Housing Special Fund**. I am Tina Andrade with Catholic Charities Hawai'i.

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. Creating affordable housing and ending homelessness are our top priorities.

Our state's homeless population on the streets is growing. On Oahu, 62% of homeless persons were unsheltered. The **Kauhale Initiative** provides an opportunity for more rapid development of diverse options to help people move off the streets into decent, though small, units. These are 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 Supportive Housing Special Fund would continue the planning for housing and services to vulnerable populations in our state. Creating this new financing tool will enable the Hawai'i Housing Finance and Development Corporation (HHFDC) to facilitate and coordinate all 3 "legs" needed for success: development, operation/maintenance of supportive housing (including rental assistance), and supportive services. This will create a much more effective, efficient and transparent system for developers, service providers, persons with special housing needs, and the community which is impacted on a daily basis by this issue.

This bill would address chronically homeless persons and others with special housing needs: including persons with addictions, youth aging out of foster care, domestic violence survivors, frail elders, etc. The lack of a supportive housing system impacts on the ability of these individuals to live independently and positively in the community. This lack can result in **costly institutional care, other high public costs, and unfortunately in many deaths.** *CCH just had a sad case in January of a medically fragile 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.





HB431 Kauhale
COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

Rep. Lisa Marten, Chair

Rep. Ikaika Olds, Vice Chair

Tuesday, Jan 28, 2025: 9:00: Room 329 Videoconference

Hawaii Substance Abuse Coalition Supports HB431:

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.



TESTIMONY IN SUPPORT OF HB431, RELATING TO HOUSING

HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS
JANUARY 28, 2025

Aloha Chair Marten, Vice Chair Olds, and Members of the Human Services & Homelessness Committee:

The Democratic Party of Hawai'i **SUPPORTS** HB431, RELATING TO HOUSING. Pursuant to the Platform of the Democratic Party of Hawai'i, the Party supports policies that re-houses families and individuals experiencing houselessness as quickly and efficiently as possible, while also providing wrap-around services in the process.

This measure would put much needed funds towards improving the living standards of members of our community who are struggling with houselessness and housing instability. Putting funding towards continuing the Kauhale Initiative, creating the Supportive Housing Special Fund, and creating the Kauhale Initiative Special Fund will dedicate resources towards keeping more of Hawai'i's people housed. With long term housing, that will bring stability, community, and the ability for more people to access the support that they need.

Mahalo nui loa for the opportunity to testify in support of HB431, RELATING TO HOUSING. Should you have any questions or require further information, please contact the Democratic Party of Hawai'i at legislation@hawaiidemocrats.org

LATE

HB-431

Submitted on: 1/27/2025 11:31:15 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Liam Chinn	Reimagining Public Safety in Hawai'i Coalition	Support	Remotely Via Zoom

Comments:

The Reimagining Public Safety in Hawai'i Coalition strongly supports HB431 which will dramatically reduce the jail population and recidivism at a significantly lower cost than incarceration or the state hospital. HB 431 should pass for the following reasons:

- **Over the past few years, key justice system actors across the state, from police to judges to prosecutors have been meeting and agree that Hawaii has a robust diversion mandate. Vulnerable residents will be diverted out of jail and into treatment and housing, which will significantly decrease the jail population**
- **However, it is currently failing due to severe underfunding of necessary diversion infrastructure. From severe staffing shortages to severe shortage of places to divert people. The question often asked by law enforcement and judges is, "Divert to where?"**
- **We need significant investment in places to divert people, especially 24/7 supportive housing for justice involved individuals, and Kauhale is very cost effective solution. (compare Kauhale cost to \$112,000/ year to incarcerate a resident at OCCC)**
- **A study by Hawaii based organization Partners in Care revealed that the recidivism rate for individuals who received housing support was just 12.8% versus 50% without housing support. This demonstrates that individuals are far more likely to remain housed and avoid reoffending when provided stable housing and support through investments such as Kauhale.**

Mahalo for passing HB431 and continuing to make large investments in diversion infrastructure and the root causes of poverty and crime.



HAWAI'I HEALTH
& HARM REDUCTION CENTER

LATE

To: Committee on Human Services & Homelessness

Hearing Date/Time: Tuesday, January 28th, 9:00 am

Re: Testimony in Support of HB 431

From: Heather Lusk, Hawai'i Health & Harm Reduction Center

Dear Chair Marten, Vice Chair Olds, and members of the committee:

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

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawaii and the Pacific. We focus our efforts on those disproportionately affected by social determinants of health, including but not limited to: people living with and/or affected by HIV, hepatitis, substance use, and the transgender, LGBTQ and the Native Hawaiian communities.

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.

Thank you for the opportunity to testify.

Heather Lusk,
Executive Director
Hawai'i Health & Harm Reduction Center



HAWAI'I HEALTH & HARM REDUCTION CENTER

677 Ala Moana Blvd. Suite 226 Honolulu, Hawai'i 96813 | (808) 521-2437 | www.hhhrc.org

LATE

January 27th, 2025

Committee on Human Services & Homelessness

Chair Representative Rep. Lisa Marten and Vice Chair Rep. Ikaika Olds

415 Beretania St., Conference Room 329

Honolulu, Hawaii 96813

Subject: Support for HB431, Funding for the Kauhale Initiative

Aloha Representatives,

I, Les Estrella, am testifying in strong support of HB431, which will dramatically reduce the jail population and recidivism, at a significantly lower cost than incarceration. We need significant investment in 24/7 supportive housing for justice-involved individuals. Kauhale is a very cost-effective solution. Kauhale cost around \$30,000 per person to house per year, while incarceration costs \$112,000 for each resident per year.

Currently, 40% of Hawai'i residents sitting in jail are homeless, and many more are suffering from mental illness and substance addiction. Vulnerable residents, including homeless, will be diverted out of jail and into treatment and housing, which will significantly decrease the jail population. Unfortunately, this mandate is currently struggling due to underfunding of necessary diversion infrastructure.

Mahalo for passing HB431 and continuing to make significant investments in diversion infrastructure and the root causes of poverty and crime.

Mahalo nui loa,



Les Estrella

President & CEO, Going Home Hawai`i



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON HUMAN SERVICES &
HOMELESSNESS**

HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 329

Tuesday, January 28, 2025 AT 9:00 A.M.

To The Honorable Lisa Marten, Chair
The Honorable Ikaika Olds, Vice Chair
Members of the Committee on Human Services & Homelessness

SUPPORT HB431 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS HB431** which appropriates funds for the Kauhale Initiative; establishes and appropriates funds into and out of the Supportive Housing Special Fund; and establishes the Kauhale Initiative 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** 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.

LATE

HB-431

Submitted on: 1/28/2025 7:38:54 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jamee Miller	'Ekolu Mea Nui	Support	Written Testimony Only

Comments:

'Ekolu Mea Nui strongly supports HB431 which will dramatically reduce the jail population and recidivism, at a significantly lower cost than incarceration. HB 431 should pass for the following reasons:

- Currently, 40% of Hawai'i residents sitting in jail are homeless, and many more are suffering from mental illness and substance addiction.
- Over the past few years, key justice system actors across the state, from police to judges to prosecutors have been meeting and agree that Hawaii has a robust diversion mandate.
- Vulnerable residents, including homeless, will be diverted out of jail and into treatment and housing, which will significantly decrease the jail population. Unfortunately, this mandate is currently failing due to severe underfunding of necessary diversion infrastructure. The question often asked by law enforcement and judges is "Divert to where?".
- We need significant investment in 24/7 supportive housing for justice involved individuals. Kauhale is a very cost effective solution, compare Kauhale cost of around \$30,000 per person per year to \$112,000/year to incarcerate a resident at OCCC).
- Supportive housing improves public safety and health. A study by Partners in Care revealed that the recidivism rate for individuals in Hawai'i who received housing support was just 12.8% versus 50% without housing support. This demonstrates that individuals are far more likely to remain housed and avoid reoffending when provided stable housing and support through high impact investments such as Kauhale.

Mahalo for passing HB431 and continuing to make large investments in diversion infrastructure and the root causes of poverty and crime.

Dr. Jamee Miller



LATE

Committee: Human Services and Homelessness
Hearing Date/Time: Tuesday, January 28, 2025, at 9:00am
Place: Conference Room 329 & Via Videoconference
Re: **Testimony of the ACLU of Hawai'i in SUPPORT of HB 431 Relating to Housing**

Dear Chair Marten, Vice Chair Olds, and Members of the Committee:

The ACLU of Hawai'i supports **H.B. 431** which appropriates funds for the Kauhale Initiative and establishes and appropriates funds into the Supportive Housing Special Fund.

We applaud Governor Green and the Hawai'i for acknowledging that we have a public health and housing crisis in Hawai'i. ***The solution to houselessness is housing, not handcuffs.***

Affordable safe housing, whether kauhale or permanent supportive housing, would stop the flow of people who do not belong in our overcrowded jails - people who are houseless, people who are poor and unable to afford bail, people with disabilities, and people struggling with trauma, mental health and/or drug use disorders.¹

Currently, the Department of Corrections and Rehabilitation is requesting \$30 million to expand contracts with planning consultants to construct an expanded jail to replace OCCC. ***Hawai'i has limited funds, and we cannot afford both a \$1 billion super jail and to adequately fund diversion infrastructure, staff and resources, including kauhale and supportive housing in our community.***

Please increase investments in kauhale and supportive housing to the scale required to meet the needs of our most under-resourced communities and **pass H.B.431.**

Sincerely,

Carrie Ann Shirota
Policy Director
ACLU of Hawai'i

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¹ *Decriminalizing Houselessness in Hawai'i Report and Recommendations*, Asha DuMonthier, November 2021. https://www.acluhi.org/sites/default/files/field_documents/houselessnessreport_0.pdf

LATE

HB-431

Submitted on: 1/27/2025 10:00:17 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaili Swan	Individual	Support	Written Testimony Only

Comments:

I am in strong suport of this measure beacuse people with disabilty can afford affordable houseing to live on my own or live with my parents please pass this bill thank you..

The Reimagining Public Safety in Hawai'i Coalition strongly supports HB431 which will dramatically reduce the jail population and recidivism, at a significantly lower cost than incarceration. HB 431 should pass for the following reasons:

- Currently, 40% of Hawai'i residents sitting in jail are homeless, and many more are suffering from mental illness and substance addiction.
- Over the past few years, key justice system actors across the state, from police to judges to prosecutors have been meeting and agree that Hawaii has a robust diversion mandate.
- Vulnerable residents, including homeless, will be diverted out of jail and into treatment and housing, which will significantly decrease the jail population. Unfortunately, this mandate is currently failing due to severe underfunding of necessary diversion infrastructure. The question often asked by law enforcement and judges is "Divert to where?".
- We need significant investment in 24/7 supportive housing for justice involved individuals. Kauhale is a very cost effective solution, compare Kauhale cost of around \$30,000 per person per year to \$112,000/year to incarcerate a resident at OCCC).
- Supportive housing improves public safety and health. A study by Partners in Care revealed that the recidivism rate for individuals in Hawai'i who received housing support was just 12.8% versus 50% without housing support. This demonstrates that individuals are far more likely to remain housed and avoid reoffending when provided stable housing and support through high impact investments such as Kauhale.

Please support HB431.

Thank you,

Carla Allison
Reimagining Public Safety
Honolulu

LATE

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HB-431

Submitted on: 1/27/2025 2:48:47 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicholas Chagnon	Individual	Support	Written Testimony Only

Comments:

To the esteemed members of the committee,

I write in strong support of this bill. The current housing crisis calls for an all hands on deck approach. This measure is relatively modest, but important. We need more intermediate measures to support those in crisis and need as we create and implement a holistic housing and livability strategy. HB 431 is a logical intermediate measure that will make a meaningful difference.

Sincerely,

Nicholas J. Chagnon, PhD

HB-431

Submitted on: 1/27/2025 5:13:19 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Luanna Peterson	Individual	Support	Written Testimony Only

Comments:



Testimony in Strong Support of HB431

Aloha Chair, Vice Chair, and Members of the Committee,

The Reimagining Public Safety in Hawai'i Coalition strongly supports HB431, which represents a transformative step toward reducing the jail population and recidivism in Hawai'i, while achieving these outcomes at a significantly lower cost than incarceration. We respectfully urge you to pass this critical legislation for the following reasons:

Currently, 40% of incarcerated individuals in Hawai'i are experiencing homelessness, and many others are struggling with mental illness and substance addiction. Over the past few years, key justice system stakeholders, including police, judges, and prosecutors, have acknowledged the state's need for robust diversion efforts. These efforts aim to direct vulnerable individuals away from incarceration and into treatment and housing. However, the success of this mandate has been severely hindered by insufficient funding for the necessary diversion infrastructure.

The question frequently asked by law enforcement and judges is, "Divert to where?" To address this, we must invest in 24/7 supportive housing programs for justice-involved individuals. One effective and cost-efficient solution is Kauhale, a community-based supportive housing model. Providing housing through Kauhale costs approximately \$30,000 per person annually—far less than the \$112,000 it costs to incarcerate a single resident at OCCC.

Supportive housing not only reduces costs but also improves public safety and health outcomes. A study by Partners in Care found that individuals who received housing support in Hawai'i experienced a recidivism rate of just 12.8%, compared to 50% among those without housing support. These findings underscore the importance of stable housing and targeted investments in addressing the root causes of poverty and crime.

HB431 has the potential to create meaningful change by diverting vulnerable residents, including those experiencing homelessness, out of jails and into supportive services that foster stability and reduce recidivism. We urge the Legislature to pass this bill and continue prioritizing investments in diversion infrastructure and solutions that address the underlying causes of poverty and crime in our communities.

Mahalo for your leadership and commitment to building a safer, healthier Hawai'i.

Respectfully,

Luanna Peterson

LATE

HB-431

Submitted on: 1/27/2025 7:53:03 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Smith	Individual	Support	Written Testimony Only

Comments:

I submit testimony in support of HB431 to provide funding of \$50 million for the kauhale initiative to provide housing for homeless as well as affordable rental units for Hawaii residents facing housing instability (not homeless but on the verge of homelessness) due to the high cost of living in our State.

I support the bill's contents establishing a supportive housing special fund and appropriating \$12 million to that fund to develop, operate, and maintaining affordable, permanent housing and the provision of supportive services for individuals or families with special needs.

My only recommendation is that the bill be amended to have at least two contract bids for construction/building contracts over \$1 million. The concern with using the Emergency Proclamation is that only one contractor/builder will be awarded the contract which if unchecked with a second bid will allow contracts which may be exceeding high and over fair market costs. The Emergency Proclamation is a great tool to expedite the construction/building of housing and kauhale, however, by having at least two bids to compare construction/building costs the Legislature and the public will not know what the fair market costs should be.

Thank you for allowing me to submit my testimony in support of HB431, with one amendment, to ensure fairness in housing development using taxpayers money.

LATE

HB-431

Submitted on: 1/27/2025 8:15:50 PM
Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Ching	Individual	Support	Written Testimony Only

Comments:

I support HB 431

California (187,084 homeless in 2024) Washington, DC, New York and Hawaii had the nation's highest rents in 2022 and among the highest rates of homelessness in 2023. For these reasons, HB431 is laser focused toward building housing inventory to not only provide housing for homeless, but also our working individuals and families who may not yet be houseless, but are facing housing instability due to Hawaii's high costs of living.

I suggest amending the bill to allow for no less than two (2) bids for any construction on housing projects over \$1 million dollars. By having no less than two (2) bids this ensures fairness in the costs.

With the stated amendment, I support HB431.

LATE

HB-431

Submitted on: 1/27/2025 8:59:28 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Raelyn Reyno Yeomans	Individual	Support	Written Testimony Only

Comments:

I am in STRONG SUPPORT of HB431. We need more kauhale! Thank you

LATE

HB-431

Submitted on: 1/28/2025 2:57:23 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristen Young	Individual	Support	Written Testimony Only

Comments:

Aloha, I strongly support HB431 as it is an important investment in supportive housing. As we look around at some of the major issues in our communities, not just a lack of affordable housing but also crime and incarceration, we must look for solutions that address root causes. This bill will dramatically reduce the jail population and recidivism, at a significantly lower cost than incarceration.

Currently 40% of Hawai'i residents sitting in jail are houseless and many more suffer from mental illness and substance addiction. Our overreliance on incarceration should be a crime in itself and I believe we need to instead put our money toward creating diversion infrastructure.

Here are a few other reasons HB 431 should pass:

- Over the past few years, key justice system actors across the state, from police to judges to prosecutors have been meeting and agree that Hawaii has a robust diversion mandate.
- Vulnerable residents, including homeless, will be diverted out of jail and into treatment and housing, which will significantly decrease the jail population. Unfortunately, this mandate is currently failing due to severe underfunding of necessary diversion infrastructure. The question often asked by law enforcement and judges is "Divert to where?".
- We need significant investment in 24/7 supportive housing for justice involved individuals. Kauhale is a very cost effective solution, compare Kauhale cost of around \$30,000 per person per year to \$112,000/year to incarcerate a resident at OCCC).
- Supportive housing improves public safety and health. A study by Partners in Care revealed that the recidivism rate for individuals in Hawai'i who received housing support was just 12.8% versus 50% without housing support. This demonstrates that individuals are far more likely to remain housed and avoid reoffending when provided stable housing and support through high impact investments such as Kauhale.

Please pass HB431. Mahalo for your consideration.

Kristen Young

Honolulu resident

Member of the Reimagining Public Safety in Hawai'i Coalition

LATE

HB-431

Submitted on: 1/28/2025 7:10:27 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Colleen Rost-Banik	Individual	Support	Written Testimony Only

Comments:

Aloha Committee members,

My name is Colleen Rost-Banik and I am a Sociology instructor at the University of Hawaii, Manoa and teach a creative writing class at the Women's Community Correctional Center. I am in strong support of HB431 which will dramatically reduce the jail population and recidivism, at a significantly lower cost than incarceration. **One of the things mentioned by women at WCCC who wind up back in prison after parole is that the inability to secure housing (due to high housing costs and the fact that owners can discriminate against renting to felons) is a major factor in them landing back in prison.** HB 431 should pass for the following reasons:

- Currently, 40% of Hawai'i residents sitting in jail are homeless, and many more are suffering from mental illness and substance addiction.
- We need significant investment in 24/7 supportive housing for justice involved individuals. Kauhale is a very cost effective solution, compare Kauhale cost of around \$30,000 per person per year to \$112,000/year to incarcerate a resident at OCCC).
- Supportive housing improves public safety and health. A study by Partners in Care revealed that the recidivism rate for individuals in Hawai'i who received housing support was just 12.8% versus 50% without housing support. This demonstrates that individuals are far more likely to remain housed and avoid reoffending when provided stable housing and support through high impact investments such as Kauhale.

Mahalo for passing HB431 and continuing to make large investments in diversion infrastructure and the root causes of poverty and crime.

Sincerely,
Colleen Rost-Banik, Ph.D.