DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the Senate Committee on WAYS AND MEANS

Tuesday, April 5, 2022 10:30 AM State Capitol, Conference Room 211 and Via Videoconference

In consideration of HOUSE BILL 2512, HOUSE DRAFT 2, SENATE DRAFT 1 RELATING TO OHANA ZONES

House Bill 2512, House Draft 2, Senate Draft 2 proposes to extend the 'Ohana Zone Pilot Program to June 30, 2026, and exempt contracts entered into under this Program from all or parts of seventeen (17) Chapters of the Hawaii Revised Statutes (HRS). The Department of Land and Natural Resources (Department) respectfully opposes this bill as exemptions from Chapters 6E and 343 are still included.

The Department thanks the HMS and HOU Committees for addressing the Department's concerns about the National Flood Insurance Program (NFIP), and for removing Chapter 171, HRS, from the waiver list. However, after further consultation with the Counties, we suggest removing Section 46-1.5, HRS, in its entirety because each county addresses this section of law differently in order to comply with the NFIP. In addition, we suggest the following change to section (a)

(a) Contracts entered into by the agencies designated by the governor pursuant to the 'ohana zones pilot program shall be exempt from the requirements of chapters [103D and] ; 46, excluding sections 46-1.5, 46-88(c)(5), and 46-88(j); 92; 103F[7]; 205; 205A; 206E;; and sections 37-41, 37-74(d)(1), 40-66, 102-2, 103-2, 103-53, 103-55, 105-1 through 105-10, and 464-4, Hawaii Revised Statutes[-]; provided that no contract entered into pursuant to the ohana zones pilot program or no new or existing structures, related appurtenances, or other development shall be constructed until the county agency has determined that a permit is not required for compliance with county, state, or federal flood plain management development

SUZANNE D. CASE CHAIRPERSON BOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

> ROBERT K. MASUDA FIRST DEPUTY

M.KALEO MANUEL ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEYANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND RESOURCES ENFORCEMENT ENGINEERING FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS standards, or statutes, codes, ordinances, rules, or regulations pursuant to the National Flood Insurance Program requirements."

The Department is supportive of the 'Ohana Zone program and notes that most of these broad waivers were not required for the success of the program. As such, the Department prefers the original language of Senate Bill 3168 as a vehicle to extend and eventually make 'Ohana Zones permanent.

In general, all of the laws waived protect the health and safety of the public and exist for good reasons. Below are the Department's comments on specific waivers. We would like these waivers of these laws removed from the bill.

Chapter 6E, HRS, protects historic properties for the public good. A waiver of Chapter 6E, HRS, sweeps away protections for burials, and for historic and cultural sites of Native Hawaiians and other people of Hawaii without any process for comments from the affected public or review by the Department's State Historic Preservation Division. The State Historic Preservation Division is working on multiple fronts to ensure reviews of projects happen within the statutory deadlines.

Chapter 46, HRS. This Chapter delegates authority to the Counties for all their functions, including zoning, police powers, noise ordinances. Waiving all of Chapter 46, HRS, could have unintended consequences on the community.

Chapter 205, HRS, Land Use Commission and Chapter 205A, HRS, Coastal Zone Management (CZM) Program. The Department will rely on the Land Use Commission to comment on adverse effect of waiving Chapter 205, HRS, and the Office of Planning and Sustainable Development to comment on the adverse effects of waivers of both these laws. The Department notes land use planning ensures the highest and best use of land, and that the CZM Program is important for preserving open space and reducing hazards to life and property from coastal hazards. As with all of the proposed land use waivers, failing to review the effects of these types of projects could have adverse effects on the public and on other land uses.

Chapter 343, HRS, serves 2 major purposes. First, it addresses environmental effects of a project on Hawaii's unique and fragile environment. The Department does not support a waiver because the state has daily evidence of human effects on the environment to the detriment of the larger population. Coral loss due to polluted run-off, as well as climate change is a constant problem. The importance of monitoring water quality has been made very clear by the Red Hill leak. Avian malaria is threatening extinction for almost all of our native birds. Waiving Chapter 343, HRS, avoids looking at possible effects to these resources and addressing mitigation of any effects.

The second purpose of Chapter 343, HRS, is to allow the public an opportunity to comment on projects that may affect them. Waiving Chapter 343, HRS, closes this avenue for public comment on projects that the public should have an opportunity to weigh in on, since they are often built on public lands that other people, in addition to the homeless may use. While the Department understands the need for low income and alternate housing and the added costs incurred by complying with environmental regulations, we feel those costs are well worth it to

ensure the protection of Hawaii's unique and fragile environment for the entire population of our state.

Exemption proposals should be carefully considered for public concerns regarding the lack of transparency, accountability, and opportunities for public comment that this bill encourages by making the waivers of these laws semi-permanent over the next five years, and perhaps beyond.

Thank you for the opportunity to testify on this measure.



WRITTEN TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL THIRTY-FIRST LEGISLATURE, 2022

ON THE FOLLOWING MEASURE: H.B. NO. 2512, H.D. 2, S.D. 1, RELATING TO OHANA ZONES.

BEFORE THE: SENATE COMMITTEE ON WAYS AND MEANS

DATE:	Tuesday, April 5, 2022	TIME: 10:30 a.m.		
LOCATION:	N: State Capitol, Room 211 and Videoconference			
TESTIFIER(S): WRITTEN TESTIMONY O (For more information, con Deputy Attorney General,	itact Melissa L. Lewis,		

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

The purposes of this bill are to amend the Ohana Zones Pilot Program established pursuant to Act 209, Session Laws of Hawaii 2018, by amending section 4, as amended by Act 128, section 1, Session Laws of Hawaii 2019, to address homelessness by: (1) exempting contracts entered into by executive branch agencies designated by the Governor pursuant to the Act from the requirements of numerous sections and chapters of the Hawaii Revised Statutes (HRS); (2) extending the Ohana Zones Pilot Program to June 30, 2026; (3) appropriating an unspecified sum for fiscal year 2022-2023, to be expended by the Governor's Office; (4) establishing a five year homeless triage center pilot program that will expire on June 30, 2027; and (5) appropriating \$2,500,000 for the five year homeless triage center pilot program to be expended by the Department of Human Services.

Section 1 of the bill, on page 1, lines 5-11, will amend section 4(a) of Act 209, as amended, to read as follows:

(a) Contracts entered into by the agencies designated by the governor pursuant to the ohana zones pilot program shall be exempt from the requirements of chapters [103D and] 6E; 46, excluding sections 46-1.5(5)(B), 46-88(c)(5), and 46-88(j); 92; 103F[-]; 205; 205A; 206E; 343; and sections 37-41, 37-74(d)(1), 40-

<u>66, 102-2, 103-2, 103-53, 103-55, 105-1 through 105-10, and 464-</u> <u>4</u>, Hawaii Revised Statutes[-]

The proposed exempted HRS chapters and sections include: chapter 6E, Historic Preservation; chapter 46, County Organization and Administration; chapter 92, Public Agency Meetings and Records; chapter 205, Land Use Commission; chapter 205A, Coastal Zone Management; chapter 206E, Hawaii Community Development Authority; chapter 103F, Purchases of Health and Human Services; chapter 343, Environmental Impact Statements; section 37-41, Appropriations to revert to state treasury; exceptions; section 37-74(d)(1), Program execution; section 40-66, Appropriations lapse when; section 102-2, Contracts for concessions; bid required, exception; section 103-2, General fund; section 103-53, Contracts with the State and counties; tax clearances, assignments; section 103-55, Wages, hours, and working conditions of employees of contractors performing services; sections 105-1 through 105-10, Government motor vehicles; and section 464-4, Public works.

The bill does not provide a reason for exempting entire HRS chapters and various sections, nor does it explain how each HRS chapter and section exempted would apply to contracts entered into by state agencies designated by the Governor pursuant to the Ohana Zones pilot program (other than chapter 103F, which relates to procurement). An exemption overbreadth may: (1) cause implementation challenges; (2) result in unintended consequences; or (3) lead to legal challenges that would delay projects undertaken as part of the Ohana Zones Pilot Program. If this measure proceeds, we suggest that the listed exempt HRS chapters and sections be deleted or narrowed to those which can be justified as being necessary for the program. We further suggest that a purpose section be added to the bill to provide the justification for exempting the various HRS chapters and sections.

Section 2 of the bill, on page 2, lines 4-16, would establish a new five-year homeless triage center pilot program which would expire on June 30, 2027. The title of this bill is "RELATING TO OHANA ZONES." Article III, section 14, of the State Constitution provides, in part: "[E]ach law shall embrace but one subject, which shall be expressed in its title." The title of this measure relates to Ohana Zones. The Testimony of the Department of the Attorney General Thirty-First Legislature, 2022 Page 3 of 3

establishment of a triage pilot program pertains to homelessness, but it is not part of the

Ohana Zones program. To avoid a potential constitutional challenge on this issue, we recommend that the measure be amended to remove sections 2 and 4.

As an alternative, the bill could also be revised to include the triage services as part of the Ohana Zones Pilot Program and not create a new separate pilot program.

This can be accomplished by deleting section 2, and revising the appropriation made in section 4 (renumbered as section 3) to read as follows:

Section 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,500,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the establishment, implementation, and administration of a homeless triage center as part of the ohana zones pilot program, with the purpose of serving as a crisis assessment and management center that provides temporary shelter and referral services for homeless individuals with serious mental illness, chronic medical conditions, or chronic substance abuse, to assist homeless adults to access appropriate treatment, shelter, care, and housing; provided that the homeless triage center shall supplement, rather than supplant, existing services.

The sum appropriated shall be expended by the office of the governor for the purposes of this Act and may be used for necessary administrative and other costs of implementation, including funding for one full-time equivalent (1.0 FTE) planner or specialist position; provided that the governor shall transfer the expenditure authority to designated executive branch departments or agencies within a reasonable time.

Notwithstanding any other law to the contrary, the governor may transfer all or a portion of the appropriation in this section to the governor's designated executive branch agencies for expenditures incurred in implementing the ohana zones pilot program.

The governor's designated executive branch agencies may expend any appropriation transferred pursuant to this section for the performance of their duties under the ohana zones pilot program.

Thank you for the opportunity to provide testimony on this bill.



STATE OF HAWAII OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

DAVID Y. IGE GOVERNOR

MARY ALICE EVANS DIRECTOR

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Statement of MARY ALICE EVANS Director, Office of Planning and Sustainable Development before the SENATE COMMITTEE ON WAYS AND MEANS Tuesday, April 05, 2022 10:30 AM State Capitol, Conference Room 211

in consideration of HB 2512 HD2 SD1 RELATING TO THE RELATING TO OHANA ZONES.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means.

The purpose of HB 2512 HD2 SD1 is to extend the sunset date for the Ohana Zones Pilot Program to June 30, 2026 and expands statutory exemptions for contracts entered into under the program from a number of Chapters under Hawaii Revised Statutes (HRS). The Office of Planning and Sustainable Development (OPSD) supports the intent of the `Ohana Zones Pilot Program to assist homeless adults to access appropriate treatment, shelter, care, and housing and **provides the following comments** regarding the exemption of this program from HRS Chapters 205A and 343.

HRS Chapter 205A. Exemption from HRS Chapter 205A Coastal Zone Management Law would eliminate project review and requirements for potential mitigative measures to protect the proposed projects from sensitive coastal hazard areas, and reduce the opportunity for public comments to contracts where activities may occur in the Special Management Areas or Shoreline Setback Areas.

HRS Chapter 343. Exemption from HRS Chapter 343 Environmental Impact Statements reduces the opportunity to ensure environmental concerns are given appropriate consideration in decision making and would reduce the opportunity for consideration of citizen concerns expressed through the public participation process.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEE ON WAYS AND MEANS ON HOUSE BILL NO. 2512, H.D. 2, S.D. 1

April 5, 2022 10:30 a.m. Room 211 and Videoconference

RELATING TO OHANA ZONES

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

House Bill No. 2512, H.D. 2, S.D. 1, amends Act 209, SLH 2018, as amended by Act 128, SLH 2019, to extend the 'Ohana Zones Pilot Program's (OZPP) sunset date from June 30, 2023 to June 30, 2026, and provide additional regulatory exemptions to the HRS, including, but not limited to, exemptions to the following sections that relate to the budget and appropriations: Section 37-41, Appropriations to Revert to State Treasury; Section 37-74(d), Program Execution, except for Sections 37-74(d)(2) and 37-74(d)(3); Section 40-66, Lapsing of Appropriations; and Section 103-2, General Fund. This bill also: establishes a five-year Homeless Triage Center Pilot Program (HTCPP); appropriates \$2,500,000 in general funds to the Department of Human Services in FY 23 to establish and administer HTCPP; appropriates an unspecified amount of general funds to the Office of the Governor in FY 23 for OZPP expenses; and provides authority to transfer the funds and the respective expenditure authority to designated Executive Branch departments or agencies as necessary to implement OZPP. B&F notes that while the exemptions related to the budget and appropriations were provided by the emergency proclamations on homelessness, they should not be continued on an indefinite or prolonged basis beyond emergency needs. These exemptions allow interdepartmental transfers of appropriations and exempt appropriations from reverting to the State treasury and, subsequently, lapsing. Such exemptions may be necessary to facilitate quick action during periods of emergency; however, in general, appropriations should be budgeted and expended in accordance with normal statutory requirements and conform to Section 11 of Article VII of the Constitution of the State of Hawai'i that states that general fund appropriations shall be for specified periods, that no appropriation shall be made for a period exceeding three years, and that unencumbered appropriations or portions thereof shall lapse at the close of the fiscal period for which the appropriations were made.

B&F also notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

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- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



EXECUTIVE CHAMBERS HONOLULU

April 5, 2022

TO: The Honorable Senator Donovan M. Dela Cruz, Chair Senate Committee on Ways and Means

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: HB 2512 HD2 SD1 – RELATING TO OHANA ZONES.

Hearing: Tuesday, April 5, 2022, 10;30 a.m. VIA VIDEO CONFERENCE State Capitol, Conference Room 211

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure and supports extending the Ohana Zones pilot program. However, the Coordinator also offers comments and raises concerns regarding the SD1. Specifically, the broad exemptions from Hawaii Revised Statutes (HRS) in section 1 may result in unintended adverse consequences. The Coordinator respectfully requests the language from the original HB2512 be restored and notes that HB2512 is similar to administrative bills HB2140 / SB3108.

Additionally, the Coordinator notes that legislation is necessary to extend the sunset date of the Ohana Zones pilot program. If the sunset date for the program is not extended, projects funded through the pilot program will end in June 2023.

PURPOSE: The purpose of the bill is to expand regulatory exemptions for Ohana Zones pilot program contracts and extend the sunset date for the Ohana Zones pilot program to June 30, 2026. In addition, the bill establishes a five-year Homeless Triage Center pilot program administered by the Department of Human Services (DHS). The bill also appropriates funds for the Ohana Zones Pilot Program and the Homeless Triage Center Pilot Program.

The Coordinator appreciates amendments by the Senate Committees on Human Services and Housing to delete exemptions from 103D, 104, 171, and 346, HRS, and to exclude sections 46-1.5(5)(B), 46-88(c)(5), and 46-88(j), HRS, from the list of statutory exemptions granted to Ohana Zones pilot program contracts. In addition to those amendments, the Committees also established the five-year Homeless Triage Center Pilot Program and appropriated \$2,500,000 for the establishment, implementation, and administration of the Homeless Triage Center Pilot program, including one full-time equivalent (1.0 FTE) planner or specialist position.

While the SD1 removed some statutory exemptions from the bill, numerous exemptions from entire sections of the HRS remain in the current draft. The broad exemptions from HRS may result in unintended consequences adversely impacting the Ohana Zones pilot program and other aspects of state government. For example, it is unclear how exemptions from chapter 46, HRS, will impact the ability for Ohana Zones projects to receive federal funding from the U.S. Department of Housing and Urban Development (HUD), as compliance with local building code is a requirement to receive HUD funding.¹ If this bill proceeds, the Coordinator respectfully requests the Legislature amend the bill to restore the language in the original HB2512.

It is also critical that the sunset date for the Ohana Zones pilot program be extended. Without legislation to extend the sunset date, the pilot program will end in June 2023. The end of the Ohana Zones pilot will mean that programs such as the Homeless Outreach and Navigation for Unsheltered (HONU) program may cease to exist.

The need for the flexibility and innovation provided by the Ohana Zones pilot is especially critical given the economic impacts of the COVID-19 pandemic. In January 2021, the Economic Roundtable released a report that projected the pandemic response would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016.

¹ See HUD memo available at: <u>http://homelessness.hawaii.gov/wp-</u> <u>content/uploads/2022/01/2020497a_State_PY2019_CoC-Minimuim-Construction-Stds-Tiny-</u> <u>Homes_20200526.pdf</u>.

Continuation of the Ohana Zones pilot program is a priority for the Coordinator and the Hawaii Interagency Council on Homelessness (HICH), a 27-member advisory council guiding strategies to end homelessness statewide. Since its establishment in 2018, the Ohana Zones pilot program has supported 20 projects statewide. As of November 30, 2021, the Ohana Zones pilot program aided 5,510 homeless individuals statewide, including 1,368 placed into permanent housing. For more information about the Ohana Zones pilot program, visit https://homelessness.hawaii.gov/ohana-zones.

Thank you for the opportunity to testify on this bill.





CATHY BETTS DIRECTOR

JOSEPH CAMPOS II DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

P. O. Box 339 Honolulu, Hawaii 96809-0339

March 18, 2022

TO: The Honorable Senator Donovan M. Dela Cruz, Chair Senate Committee on Ways & Means

FROM: Cathy Betts, Director

SUBJECT: HB 2512 HD2 SD1 – RELATING TO OHANA ZONES.

Hearing: April 5, 2022, 10:30 a.m. Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports extending the Ohana Zone Pilot Program, suggests amendments, and continues to have concerns about exemptions in Section 1. DHS proposed administration measures HB2140/ SB3108 and prefers the language in those measures or the original HB2512. DHS defers to the Department of the Attorney General and other departments impacted by this measure.

PURPOSE: The purpose of this measure is to expand the statutory exemptions granted to the Ohana Zones Pilot Program contracts. Extends the sunset date for the Ohana Zones Pilot Program for three years to June 30, 2026. Establishes a five-year Homeless Triage Center Pilot Program administered by the Department of Human Services to operate a Homeless Triage Center that serves as a crisis assessment and management center. Appropriates funds for the Ohana Zones Pilot Program and the Homeless Triage Center Pilot Program. Effective 7/1/2050. (SD1)

The HD1 made significant amendments by

- Expanding the regulatory exemptions for Ohana Zones Pilot Program contracts, similar to those previously included in the Governor's Emergency Homeless Proclamation;
- (2) Changing the effective date to July 1, 2060, to encourage further discussion; and

(3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

The HD2 amended the measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion.

The SD1 amended the measure by:

- Amending section 1 by deleting chapters 103D, 104, 171, and 346, Hawaii Revised Statutes, and excluding sections 46-1.5(5)(B), 46-88(c)(5), and 46-88(j), Hawaii Revised Statutes, from the list of statutory exemptions granted to the Ohana Zones Pilot Program contracts;
- (2) Clarifying that no contract entered into pursuant to the Ohana Zones Pilot Program or structures constructed thereunder shall be exempt from county, state, or federal flood plain management development standards, or statutes, codes, ordinances, rules, or regulations with which compliance is required under the National Flood Insurance Program;
- (3) Establishing a five-year Homeless Triage Center Pilot Program administered by the Department of Human Services to operate homeless triage centers that serve as crisis assessment and management centers that provide temporary shelter and referral services for homeless individuals with serious mental illness, chronic medical conditions, or chronic substance abuse;
- (4) Appropriating \$2,500,000 for the establishment, implementation, and administration of the Homeless Triage Center Pilot program, including funding for one full-time equivalent (1.0 FTE) planner or specialist position; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The Department supports extending the ohana zone pilot program that will otherwise sunset on June 30, 2023, per Act 128, Session Laws of Hawaii 2019. The Department further suggests going back to the original HB2512 or adopting the language of administration measure HB2140/ SB3108. Also, note that the administration requested an appropriation of \$15M to continue the existing programs and support new innovative approaches needed to address youth homelessness and individuals with severe mental illness as added by the SD1.

Additionally, DHS requests the Legislature to consider adding a section to revise the definition of "ohana zone" to include behavioral health needs. The Department suggests adding a section that further amends Act 209, Session Laws of Hawaii 2018, to include behavioral health services, as follows:

SECTION ____. Act 209, Session Laws of Hawaii, is amended as follows,

1. By amending Section 2 to read as follows:

"SECTION 2. Definitions. For purposes of this part:

"Homeless" has the same meaning as defined in section 346-361, Hawaii Revised Statutes.

"Ohana zone" means a place:

- That has a program to address basic needs of individuals experiencing homelessness; and
- (2) Where wrap-around services, social, <u>behavioral</u>, and health care services, transportation, and other services may be offered with the goals of alleviating poverty and transitioning individuals experiencing homelessness into affordable housing."
- 2. By amending Section 3, paragraph(d), to read as follows:

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

- (1) Secure dwelling spaces that:
 - (A) May be private or communal;
 - (B) Have access to toilets, showers, and other hygiene facilities; and
 - (C) Have access to an area for food storage and meal preparation;
- (2) <u>Behavioral</u>, [M]<u>medical</u>, and social support services; and
- (3) Transportation to appointments related to medical care or supportive services that are not available onsite."

However, DHS respectfully opposes section 1, paragraph (a), as drafted. While the SD1 made considerable amendments, the number of exemptions may still have unintended consequences and confusion about the law in those situations.

As of September 30, 2021, nineteen Ohana Zones pilot projects served 5,076 individuals statewide and placed 1,129 people into permanent housing. In addition, the Ohana Zones pilot projects maintained 358 beds in the homeless services system and added 432 new beds for shelter or Housing. During the COVID-19 pandemic, the Ohana Zones pilot program enabled the State and counties to be flexible and quickly add shelter capacity.

The success of the current Ohana Zone pilot programs is partly due to the leveraging of county resources and State-funded contracted services. If Counties do not want Statefunded homeless and other State-contracted services available for the population served by Ohana Zones pilot program, then Counties will have to fund these services with County funds or seek appropriations from the Legislature.

The Department anticipates that a growing number of households will experience housing instability and face eviction. As a result, DHS will need to continue to provide the innovative community-based shelter and housing support programs initiated through the Ohana Zones pilot program led by the Coordinator. Act 209, SLH 2018, established the Ohana Zones pilot program as a three-year pilot project with an initial sunset date of June 30, 2021. Act 128, SLH 2019, extended the program to June 30, 2023.

The COVID-19 pandemic health and economic consequences impact many residents' ability to pay rent or mortgages. Since the end of the eviction moratorium, we are aware that evictions have been taking place, and we do not know the statistics of what is happening to these individuals and families. We anticipate that more residents will not be able to pay rent and will not be able to find less expensive housing as prices continue to rise for rent, most consumer goods, and energy, as wages are not rising at the same pace as expenses, and more federal assistance does not appear forthcoming.

Additionally, the pandemic has further exposed the need for the State and counties to develop safer shelter options for unaccompanied youth and youth whose families are experiencing homelessness or living in crowded spaces. When families are experiencing housing instability, frequently, older youth double up with family members or friends; these older youth may stay at multiple homes to not overburden the families where they are staying.

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The housing instability impacts their health and well-being and their ability to attend school. More resources are needed to provide stable housing options for unaccompanied youth or youth experiencing homelessness. COVID-19 exposure and diagnosis have also impacted the ability of youth to find safe shelter to isolate and quarantine and to attend online school while in isolation or quarantine.

Given the increased demand for homeless services, there is a need to continue and expand the Ohana Zones pilot program to sustain effective services and expand statewide bed inventory. The continuation and expansion of the Ohana Zones pilot program will sustain effective homeless services and add new bed inventory to meet increased demand during and following the COVID-19 pandemic.

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

MAYOR'S OFFICE OF HOUSING CITY AND COUNTY OF HONOLULU

550 SOUTH KING STREET, 2ND FLOOR • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-6622 • FAX: (808) 768-4215 • INTERNET: <u>www.honolulu.gov/moca/</u>



RICK BLANGIARDI MAYOR



TRISH LA CHICA EXECUTIVE DIRECTOR

April 4, 2022

Testimony in SUPPORT OF HB2512, HD2, SD1 RELATING TO OHANA ZONES

SENATOR DONOVAN DELA CRUZ, CHAIR SENATOR GILBERT KEITH-AGARAN, VICE CHAIR COMMITTEE ON WAYS AND MEANS

Hearing Date: April 5, 2022 Room Number: Conf 211/VIDEOCONFERENCE

Office Position: The City and County of Honolulu's Office of Housing **SUPPORTS** this bill to extend the sunset date for the Ohana Zones pilot program to June 30, 2026 and establishes a five-year Homeless Triage Center Pilot Program administered by the Department of Human Services to operate a Homeless Triage Center that serves as a crisis assessment and management center.

Offered Amendment: None

Fiscal Implications: None for the Office of Housing

Office Testimony: The City and County of Honolulu's Office of Housing appreciates the Legislature's work over the years to address homelessness statewide. Since Governor Ige signed the first emergency proclamation on homelessness, state and counties have worked together to address our homeless and housing crisis by providing our most vulnerable residents and families a safe place to live and including wraparound supportive services that enable them to lead healthy lives.

Currently, the City's Crisis, Outreach, Response, and Engagement (CORE) program provides nonviolent and nonemergency crisis assistance to persons experiencing homelessness on the street. CORE is staffed by community health workers and emergency medical technicians who have responded to more than 300 crisis calls on Oahu. HB2512 will help to expand the City's efforts to prevent and decrease the number of individuals experiencing homelessness and particularly those experiencing homelessness with complex behavioral health needs in the City and County of Honolulu.

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According to the Governor's Coordinator on Homelessness' Office, as of November 31, 2021, the Ohana Zone programs have served over 5,510 individuals statewide and placed 1,368 individuals into permanent housing. On Oahu, the program supported new services for the following agencies:

- Hale Kipa Permanent Supportive Housing (Youth)
- Hale Maluhia Permanent Supportive Housing (DV)
- Hawaii Health and Harm Reduction Center Permanent Supportive Housing
 (Chronically Homeless)
- Kamaoku Kauhale (Veterans)
- Kumuai Elderly Housing (Elderly)
- Homeless Outreach and Navigation for Unsheltered Persons (HONU) and Provisional Outdoor Screening and Triage (POST) (Chronically Homeless)
- Kumuhonua Shelter Roof Repair (Shelter)
- Onelauena Shelter Roof Repair (Shelter)
- Villages of Maili Assessment Center and Bridge Housing (Families)
- RYSE Youth Assessment Center (Youth)

The City and County of Honolulu's Office of Housing believes the Ohana Zone program should continue in providing our residents experiencing homelessness a safe place to live, including essential support services to help them thrive as part of our community.

Thank you for the opportunity to provide testimony.

<u>HB-2512-SD-1</u> Submitted on: 4/1/2022 9:16:05 AM Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara L Franklin	Testifying for Barbara L Franklin, Esq., Attorney at Law	Support	Written Testimony Only

Comments:

I strongly support HB2512 HD2 SD1, which expands exemptions for Ohana Zones contracts; extends sunset for the Ohana Zones pilot for 3 years to 06/30/2026 and appropriates funds for this extension; establishes a 5-year Homeless Triage Center Pilot Program and appropriates funds for it. We need a vigorous plan for housing on all island, including the Big Island. Housing is in very limited supply and expanding housing is needed.



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The State Legislature The Senate Committee on Ways and Means Tuesday, April 5, 2022 10:30 a.m.

TO: The Honorable Donovan Dela Cruz, Chair

RE: Support for H.B 2512, H.D.2, S.D. 1 Relating to Ohana Zones

Aloha Chair Dela Cruz and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with over 140,000 members in Hawai'i. **AARP supports H.B. 2512, H.D.2, S.D.1** which expands regulatory exemptions for ohana zones pilot program contracts and extends the sunset date for the ohana zones pilot program to 6/30/2026.

Hawaii's high cost of housing is making it unaffordable for many, but especially for those at low or fixed income. These residents are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. According to 2021 Statista/AARP analysis of census data available by United States Census Bureau (USCB), there were 310 evictions and 2,150 homeless among Hawaii residents 55 years and older. The 2022 forecast is grimmer. It shows that the number of evictions for older residents will jump from 310 to 1,050, and homeless kūpuna will rise to 2,980. It is essential to assist older adults and others from facing housing crisis. Extending and expanding the Ohana zone pilot program allows the continuation of these innovative solutions that address the housing and homelessness issues.

Thank you very much for the opportunity to support H.B. 1826 H.D.2., S.D.1

Sincerely,

Keali`i Lopez, State Director



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 2512 HD2 SD1: RELATING TO OHANA ZONES

TO: Senate Committee on Ways and Means
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Tuesday, 4/5/22; 10:30 AM; via videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in Support of HB 2512, HD1, SD1**, which extends the Ohana Zone pilot project for 3 years (to June 30, 2026), establishes a 5 year Homeless Triage Center Pilot Program, and provides funding for these programs. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

Catholic Charities Hawai`i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai`i for 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai`i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

It is critical to extend the expiration date for the Ohana Zone Program, or some projects that are providing vital services may have to close down. Catholic Charities Hawai`i supports funding the Ohana Zone pilot program as well as the Triage Center. During the past 3 years, some Ohana Zone projects only needed one time funding to create housing. Others that provide ongoing services will need continued funding. Twenty projects were created that other federal funding could not address. These projects built on the strengths of the local communities that know their needs. The funding provided an opportunity to respond to these needs in new and creative ways. Working with the counties was an important part of this funding and should be continued.

The initial pilot program demonstrated that addressing the issue of homelessness on the local level through Ohana Zone funding was effective. Hundreds of beds were added to the homeless service network, including creative initiatives like tiny homes. As of 11/30/21, 5,510 homeless individuals have been helped statewide, and 1,368 individuals placed into permanent housing.

There also is a gap in the State's ability to serve homeless persons who need even more intensive services than are now available. The Homeless Triage Center Pilot Program would fill this gap and enhance the ability to engage and move extremely vulnerable homeless persons off the streets.

We urge your support for HB 2512, SD1. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or <u>alohabettylou@hotmail.com</u> if you have any questions.







Testimony of the Hawai'i Appleseed Center for Law and Economic Justice <u>SUPPORTING HB2512 HD2</u> – Relating to Ohana Zone Funding Conference Room 225 & Videoconference Tuesday, March 22nd, 2022 at 3:15PM

Aloha Chairs San Buenaventura and Chang, Vice Chairs Les Ihara and Kanuha, and committee members,

Thank you for the opportunity to provide testimony **supporting HB2512 HD2 SD1** and additional comments.

We applaud the legislature for this bill providing additional funding and extending the Ohana Zone Pilot Program through 2026. Additionally, the exemptions provided for homes within the pilot program are critical for keeping costs down and providing housing as quickly as possible for our currently unhoused community members.

These exemptions make sense in the case of low-cost housing options for people currently living in encampments or unsheltered because these tiny homes and other very affordable options are much smaller in scale and environmental impact than typical housing developments aimed at people with incomes to support a rent or mortgage. These ohana zone projects are a big improvement and step up for people currently living without shelter, however, they are not the typical housing product you would see for sale or rent on trulia or craigslist. It is important to recognize that different segments of our population have different housing needs and that for the over 6,000 houseless residents across our state we must continue to provide options that are as low-cost as possible.

Even though the pandemic has been declared over, the emergency situation of homelessness is ongoing and all of the exemptions are needed and serve a purpose to expedite and pose a solution to getting people off the street and into housing. We urge the committee to include all the exemptions from HB2512 HD2 into HB2512 HD2, SD1 to ensure that much needed transitional homes, supportive housing, emergency shelters and assessment centers continue to be built as quickly and efficiently as possible.

Mahalo

PARTNERS IN CARE

Oahu's Continuum of Care

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

TESTIMONY IN SUPPORT HB 2512 HD2 RELATING TO OHANA ZONES

TO: Senate Committee on Ways and Means

FROM: Partners In Care (PIC)

Hearing: Tuesday, April 5th, 2022, 10:30 AM

Position: **SUPPORT**

Chair Dela Cruz and Members of the Senate Committee on Ways and Means:

Partner In Care, Oahu's Continuum of Care, stands in <u>support</u> of HB 2512 HD2 SD1 Relating to Ohana Zones. The programs created through the OHANA Zone funding have brought innovative solutions to address the issue of homelessness. The extension of this funding will enable more programs to be created, reviewed and put into a more permanent place in our continuum of care if they are proven to be effective.

Partners In Care is in support of exemptions that will enable these programs to move quickly to start up and be completed.

Thank you for the opportunity to testify on this measure. Please do not hesitate to contact us if you have any questions.

Aloha





TO:	Honorable Sen. Donovan M. Dela Cruz Chair Senate Committee on Ways and Means
	Honorable Sen. Gilbert S.C. Keith-Agaran, Chair Senate Committee on Ways and Means
FROM:	Connie Mitchell, Executive Director IHS, Institute for Human Services, Inc.
RE:	H.B. 2512 HD2 SD1 – Relating to Ohana Zones
HEARING:	April 5, 2022, 10:30 am via Videoconference, State Capitol Conf. Room 211
POSITION :	IHS strongly supports the passing of H.B. 2512 HD2 SD1.

As the state's largest homeless service provider, IHS, The Institute for Human Services, is in strong support of this bill and its potential to meet the needs of chronically homeless persons with the three-year extension of the Ohana Zone pilot program and creation of a five-year pilot Homeless Triage Center program.

The Homeless Triage Center Program Pilot added in SD1 will bring a much-needed addition to the state's continuum of care, providing a space for our chronically homeless to be easily moved off of the streets. There are over 1,000 chronically homeless individuals on the streets, parks, and beaches of Hawaii in need of intense care for mental illness, substance addictions, and debilitating health conditions. Many of our most vulnerable, chronically homeless population suffer co-morbid or tri-morbid conditions including chronic medical conditions, chronic pain, mental illness, cognitive impairment (such as dementia and traumatic brain injuries), substance use disorders, and severe infections. These individuals often have a difficult time taking the first step out of homelessness and need individualized care to be successful when they do accept support and engage with service providers.

To provide the level of care necessary to support their readiness for change, we need a place to motivate and triage these individuals, initiate mental health or medication assisted substance abuse detox, and ready them for transfer to longer-term stabilization, rehabilitation, shelter and/or housing. This is a gap in our current service continuum that stabilization beds and shelters do not provide.

The Triage Center gives the auxiliary benefit of diverting homeless persons from crowding our hospital emergency rooms and EMS services. Additionally, it will provide a place to support police assisting homeless persons needing this level of care when they exhibit readiness for change.

Mahalo for the opportunity to offer testimony and for your continued commitment to addressing homeless concerns in our community.

IHS is Hawaii's oldest, largest, and most comprehensive human services agency, focused exclusively on ending and preventing homelessness in Hawaii. IHS is a 501(c)(3) charitable non-profit organization.







Senate Committee on Ways and Means Tuesday, April 5, 2022 Video Conference, 10:30 a.m.

HB2512 HD2, SD1 – SUPPORT with amendments

Aloha Committee Chair Dela Cruz, Vice-Chair Keith-Agaran and members,

I am submitting testimony in my capacity as Program Manager of Hawaii Habitat for Humanity Association (HHFHA), a nonprofit community development financial institution and Affiliate Support Organization for the direct service Habitat for Humanity organizations across the state to **SUPPORT HB2512 HD2, SD1 with amendments**.

Hawaii Habitat applauds the legislature for providing additional funding of \$15M and extending the Ohana Zone Pilot Program through 2026. Ohana Zone funding has financed a various number of projects including transitional housing, tiny homes, diversionary programs, and permanent supportive housing vouchers.

We would also like to offer <u>comment and suggestion</u> for language of the bill. To ensure that needed transitional homes, supportive housing, emergency shelters and assessment centers get built in a timely manner we ask that the following exemptions remain in this bill and recommend that WAM restore all the exemptions in HB2512 HD2:

"(1) Chapter 6E, Hawaii Revised Statutes, historic preservation; (2) Section 37-41, appropriations to revert to state treasury; (3) Section 37-74 (d), Hawaii Revised Statutes, program execution, except for subsections 37-74 (d) (2) and (3), Hawaii Revised Statutes; provided that any such transfers or changes shall be considered authorized transfers or changes for purposes of section 34-74(d)(1)Hawaii Revised Statutes, for legislative reporting requirement; (4) Section 40-66, Hawaii Revised Statutes, lapsing of appropriations; (5) Chapter 46, Hawaii Revised Statutes, county organization and administration as any county ordinance, rule, regulation, law, or provision in any form applies to any county permitting, licensing, zoning, variance, processes, procedures, fees, or any other requirements that hinder, delay, or

impede the purpose of this Act; (8) Chapter 92, Hawaii Revised Statutes, public agency meetings and records, to the extent that any notice requirements or any other provisions of chapter 92 may delay the expeditious action, decision, or approval of any agency; (9) Section 102-2, Hawaii Revised Statutes, contracts for concessions in government buildings; bid requirements; (10) Section 103-2 Hawaii Revised Statutes, general fund; (11) Section 103-53 Hawaii Revised Statutes, contracts with the State or counties; tax clearances, assignments; (12) Section 103-55 Hawaii revised Statutes, wages, hours, and working conditions of employees of contractors performing services (13) Chapter 103D Hawaii Revised Statutes, Hawaii public procurement code; (14) Chapter 103F Hawaii Revised Statutes, purchases of health and human services; (15) Chapter 104 Hawaii Revised Statutes, Wages and hours of employees on public works; (16) Sections 105-1 to 105-10 Hawaii Revised Statutes, use of government vehicles, limitations; (18) Chapter 171 Hawaii Revised Statutes, public lands; (19) Chapter 205 Hawaii Revised Statutes, Land use commissions; (20) Chapter 205A Hawaii Revised Statutes, coastal zone management; (21) Chapter 206E Hawaii Revised Statutes, Hawaii community development authority; (22) Chapter 343 Hawaii Revised Statutes, Environmental impact statements; (23) Chapter 346 Hawaii Revised Statutes, Social services; (24) Section 464-4 Hawaii Revised Statutes, public works required to be supervised by certain professionals;" Even though the pandemic has been declared over, the emergency situation of

homelessness is ongoing and <u>all of the exemptions are needed and serve a purpose</u> to expedite and pose a solution to getting people off the street and into housing. We urge the committee to include all the exemptions from HB2512 HD2 into HB2512 HD2, SD1 to allow for the expedited construction of necessary supportive housing projects. Mahalo for your time, leadership and consideration. Please contact me directly at 425.829.8231 or <u>susan@hawaiihabitat.org</u> should you have any questions or need additional information.

Sincerely,

Susan Le

Susan Le Program Manager

HB-2512-SD-1

Submitted on: 4/5/2022 10:33:34 AM Testimony for WAM on 4/5/2022 10:30:00 AM



Submitted By	Organization	Testifier Position	Testify
Abbey Seitz	Testifying for Planning for Community LLC	Support	Written Testimony Only

Comments:

HB 2512 HD 2 SD 1 TESTIMONY

To: Senate Committee on Ways and Means Hearing on April 5, 2022 at 10:30 a.m.

From: John Kawamoto

Position: Support

Housing prices have steadily increased for decades in Hawaii, while wages have stagnated. Fewer and fewer people can afford housing, and as a result, homelessness has continued to grow. The Ohana Zones pilot project has proven to be effective in reducing homelessness. This bill extends the Ohana Zones pilot project for three years and appropriates funds for it.

Thomas Jefferson once said, "The measure of society is how it treats the weakest members." This bill elevates our entire society.

HB-2512-SD-1 Submitted on: 4/2/2022 8:25:33 PM Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Arjuna	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and members of the committee on Ways and Means,

Thank you for the opportunity to provide testimony supporting HB2512, HD2, SD1 and offering comments and amendments.

We applaud the legislature for providing additional funding of \$15M and extending the Ohana Zone Pilot Program through 2026. Ohana Zone funding has financed a various number of projects including transitional housing, tiny homes, diversionary programs, and permanent supportive housing vouchers.

To ensure that needed transitional homes, supportive housing, emergency shelters and assessment centers get built in a timely manner we ask that the following exemptions remain in this bill and **recommend that WAM restore all the exemptions in HB2512 HD2.**

Even though the pandemic has been declared over, the emergency situation of homelessness is ongoing and all of the exemptions are needed and serve a purpose to expedite and pose a solution to getting people off the street and into housing. We urge the committee to include all the exemptions from HB2512 HD2 into HB2512 HD2, SD1 to allow for the expedited construction of necessary supportive housing projects.

<u>HB-2512-SD-1</u> Submitted on: 4/3/2022 10:14:04 PM Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Molina	Individual	Comments	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and members of the committee on Ways and Means,

Mahlo nui loa for providing additional funding of \$15M and extending the Ohana Zone Pilot Program through 2026. As a Kaua'i resident I have heard and seen projects like Kealaula that have inspired me and given me hope that we can begin to solve this major housing crisis. The collaboration between the County of Kaua'i and the State Government has created this important housing opportunity. I look forward to seeing more of these projects on my island with this additional funding. Time is of the essence and we still have more people in our community in need of opportunities that these Ohana Zone projects can provide.

I would like to offer comments and a suggestion, please restore all the exemptions in HB2512 HD2.

These programs provide hope for people in our community in need of housing. The exemptions are important to making sure that the work can be done to meet the needs of the people that are in need of housing right now. Your teamwork and collaboration helped to achieve supportive housing for our community. I would love to see even more of these projects supporting the people of Kaua'i.

Thank you for your time and consideration,

Chris Molina

Senate District 8

House District 16

HB-2512-SD-1 Submitted on: 4/4/2022 6:46:06 AM Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill. While I write as an individual, I have served as President of IHS and Hale Kipa Youth Services, helping address the many needs of homeless persons. The Homeless Triage Center pilot program is vitally needed to help assess and manage the needs of homeless individuals. It would promote better allocation of homelessness services and monies. This program should result in faster, more appropriate services for homeless individuals, which in turn should help these individuals stabilize and return to productive lives more quickly. For chronically homeless persons with mental illness and/or substance addiction, this program should also help get effective services sooner, to end the vicious cycle of revolving doors from ER services, police, courts and jail.

Thank you for your consideration, and please support his bill.