

JOSH GREEN, M.D.
GOVERNOR



DEAN MINAKAMI
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY PLEASE REFER TO:

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

April 4, 2023 at 3:00 p.m.
State Capitol, Room 308

In consideration of
S.B. 1442 SD2 HD1
RELATING TO OHANA ZONES.

HHFDC **supports** S.B. 1442 SD2 HD1, which is intended to facilitate the development of Ohana Zone projects.

The bill appropriates general funds for a Capital Improvement Project (CIP) to construct facilities for the Ohana Zones Pilot Program established pursuant to Act 209, Session Laws of Hawaii 2018, as amended.

HHFDC supports the bill's establishment of one full-time equivalent (1.0 FTE) position within the Office of the Governor that shall be responsible for the deployment of the CIP funds appropriated by the bill. The development of Ohana Zone projects and permanent supportive housing involves multiple agencies, and the new position and funding would help to facilitate collaboration among supporting agencies.

Finally, the bill amends Hawaii Revised Statutes Section 201H-36 to make the Ohana Zones Pilot Program eligible for exemption from general excise taxes, a provision that HHFDC supports.

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

JOSH B. GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA
MOKU'ĀINA 'O HAWAI'I



RICHARD RIES, Psy.D., M.Ed.
COUNCIL CHAIRPERSON
LUNA HO'OMALU O KA PAPA

STATE OF HAWAI'I
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
STATE COUNCIL ON MENTAL HEALTH
P.O. Box 3378, Room 256
HONOLULU, HAWAII 96801-3378

**WRITTEN
TESTIMONY
ONLY**

STATE COUNCIL ON MENTAL HEALTH
Testimony to the
House Committee on Finance
in SUPPORT of S.B. 1442 S.D. 2 H.D. 1
RELATING TO OHANA ZONES

Tuesday, April 4, 2023 at 3:00 p.m.

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Mary Pat Waterhouse

Kristin Will, MACL, CSAC

EX-OFFICIO:

Marian Tsuji, Deputy Director
Behavioral Health Administration

WEBSITE:

scmh.hawaii.gov

EMAIL ADDRESS:

doh.scmhchairperson@
doh.hawaii.gov

Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

Hawaii law, HRS §334-10, establishes the State Council on Mental Health (SCMH) as a 21-member body to advise on the allocation of resources, statewide needs, and programs affecting more than one county as well as to advocate for adults with serious mental illness, children with serious emotional disturbances, individuals with mental illness or emotional problems, including those with co-occurring substance abuse disorders. Members are residents from diverse backgrounds representing mental health service providers and recipients, students and youth, parents, and family members. Members include representatives of state agencies on mental health, criminal justice, housing, Medicaid, social services, vocational rehabilitation, and education. Members include representatives from the Hawaii advisory commission on drug abuse and controlled substances and county service area boards on mental health and substance abuse.

The SCMH supports the intent of this measure to reduce houselessness which persists in threatening the mental health and well-being of many island residents. The effort seeks to fill a gap in the continuum of housing and support services where the need is acute and urgent.

Thank you for the opportunity to testify. Should you have any questions, please contact us at DOH.SCMHChairperson@doh.hawaii.gov.

VISION : A Hawaii where people of all ages with mental health challenges can enjoy recovery in the community of their choice.

MISSION: To advocate for a Hawaii where all persons affected by mental illness can access necessary treatment and support to live full lives in the community of their choice.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
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

April 3, 2023

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

FROM: Cathy Betts, Director

SUBJECT: [SB 1442 SD2 HD1](#) – RELATING TO RELATING TO OHANA ZONES.

Hearing: April 4, 2023, 3:00 p.m.
Conference Room 308 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and notes that the executive budget measure includes appropriations to the State Office on Homelessness & Housing Solutions (HMS 777) to continue the Ohana Zones Pilot Program.

PURPOSE: This bill establishes one full-time equivalent (1.0 FTE) position within the Office of the Governor to be responsible for the deployment of the capital improvement funds appropriated by this Act. Appropriates funds for the ohana zones pilot program for expenses relating to operations, upkeep of facilities, provision of services, administrative costs, and the construction of facilities. Makes the ohana zones pilot program a government assistance program for purposes of a general excise tax exemption. Specifies that certain exemptions shall apply to the ohana zone construction. Effective 6/30/3000. (HD1)

The SD1 amended the measure by:

- (1) Establishing a position within the Office of the Governor to deploy the capital improvement funds appropriated in this measure; and

- (2) Inserting expending language and related provisions for the issuance of general obligation bonds; and
- (3) Inserting language exempting the construction of facilities for the Ohana Zones Pilot Program from certain statutory requirements; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The SD2 further amended the measure by:

- (1) Changing the appropriation and general obligation bond issuance amounts from \$15,000,000 to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

The HD1 further amended the measure by:

- (1) Clarifying that the position in the Office of the Governor is a one-full time equivalent (1.0 FTE) position and may be transferred to a designated executive branch department or agency;
- (2) Changing the means of financing for the construction of Ohana Zones facilities from general obligation bonds to general revenues;
- (3) Making the Ohana Zones Pilot Program a government assistance program for purposes of a general excise tax exemption for the development of affordable housing, under certain circumstances;
- (4) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

DHS appreciates the Legislature's continued attention and investment to find solutions to prevent and end homelessness in Hawaii. Since 2018, the Ohana Zone Pilot Program has provided opportunities for the State to expand the array of available services and to work with Counties on innovative community-based solutions. The Homeless Programs Office partnered with Collaborative Quality Consulting to conduct a comprehensive [three-year evaluation](#) of the Ohana Zones pilot program for 2019 - 2021. The evaluation reported positive outcomes, such as 1,368 being Permanently Housed and 469 new beds being created. Additional capital investment project funds will continue the work to create more permanent housing solutions.

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



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Testimony of **James Koshiba**
Governor's Coordinator on Homelessness
Before the
House Committee on Finance
April 4, 2023
3:00 p.m., Conference Room 308
In consideration of
Senate Bill 1442 SD2 HD1
RELATING TO OHANA ZONES

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

I am writing in support of SB1442 SD2 HD1.

Ohana Zones are closely aligned with the Governor's priorities on homelessness, which include an emphasis on innovative approaches to quickly house our unhoused neighbors. In creating the Ohana Zones pilot program in 2018, the legislature found that: "[W]hile significant strides have been made, current attempts to address homelessness in Hawaii remain insufficient." The legislature observed a continued rise in unsheltered homelessness, and found, "that addressing homelessness requires the courage to try something new." (SLH 2018 Act 209)

The need for timely, flexible, and innovative solutions still remains today. Unsheltered homelessness has again climbed in recent years, as the lasting effects of the pandemic on people's financial, mental, and physical health have taken their toll.

Experience with Ohana Zones over the past 4 years has highlighted two key strengths of OZ funding: (1) flexibility to meet local needs that don't fit existing funding criteria or restrictions, (2) the ability to contract OZ funds in a timely way, thanks to exemptions from procurement and other requirements. For example:

- U.S. Department of Housing & Urban Development (HUD) funds cannot be used to fund homes that share bathrooms. Yet we know that kauhale and other "village" housing is a cost-effective solution that fits Hawaii's unique culture and environment. OZ funds can be used to demonstrate the effectiveness of such homegrown approaches, and make the case for federal funding in the future.
- The Governor's emergency proclamation on homelessness is designed to expedite creation of housing that can quickly house people experiencing homelessness. OZ funds can be deployed at a speed that matches the administration's intent to expedite acquisition or construction, and speedy contracting of supportive services as needed.
- Many existing funding sources target particular sub-populations such as families, youth, veterans, or the "chronically homeless," i.e., individuals with a diagnosed physical disability, mental illness, or addiction and who are verified as being homeless continuously for at least twelve months" (HRS

§346-378). OZ funds can help serve those who do not fit into the boxes defined by other funding sources.

Going forward, if the legislature renews Ohana Zone funding, I intend focus OZ spending on:

- Programs that lead to sustained housing placements, particularly programs that do not fit with the timing, eligibility, or other requirements of existing funding sources.
- Use OZ fund to support programs that help build a sense of community and ohana with and among people being served. This is often an under-appreciated factor in healing, growth, and sustained placement for people experiencing homelessness, and was part of the intent of the original legislation.
- Evaluating the OZ-funded projects and programs based on their ability to create or contribute to sustained housing placements for people experiencing homelessness.

I would suggest amendments include amounts from prior versions of the bill, as follows:

“SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$15,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the ohana zones pilot program...”

“SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$15,080,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 to construct facilities for the ohana zones pilot program...” Note that this amount includes funds for the position established in Section 1 of the bill.

Mahalo for your consideration.

James Koshiba
Governor's Coordinator on Homelessness

COUNTY COUNCIL

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KipuKai Kualii, Vice Chair
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Felicia Cowden
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Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188
Facsimile: (808) 241-6349
Email: cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawaii 96766

April 3, 2023

**TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 1442, SD 2, HD 1, RELATING TO 'OHANA ZONES
House Committee on Finance
Tuesday, April 4, 2023
3:00 p.m.
Conference Room 308
Via Videoconference**

Dear Chair Yamashita and Members of the Committee:

Thank you for this opportunity to provide testimony in strong SUPPORT of SB 1442, SD 2, HD 1, Relating to 'Ohana Zones. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I wholeheartedly support SB 1442, SD 2, HD 1, which would establish one full-time equivalent position within the Office of the Governor to be responsible for the deployment of the capital improvement funds appropriated by this Act; appropriate funds for the 'Ohana Zones Pilot Program for expenses relating to operations, upkeep of facilities, provision of services, administrative costs, and the construction of facilities; make the 'Ohana Zones Pilot Program a government assistance program for purposes of a general excise tax exemption; and specify that certain exemptions shall apply to the ohana zone construction.

Thank you again for this opportunity to provide testimony in strong support of SB 1442, SD 2, HD 1. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kaua'i County Council

AAO:lc

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 OF SB1442 SD2 HD1, RELATING TO OHANA ZONES

TO: House Committee on Finance

FROM: Partners In Care (PIC)

HEARING: **Tuesday, April 4, 2023 3:00pm, Conference Room 308/videoconference**

Chair Yamashita and Members of the House Committee on Finance:

Thank you for the opportunity to provide testimony in **SUPPORT of SB1442 SD2 HD1 RELATING TO OHANA ZONES.**

Partners In Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, works on Oahu to end homelessness. The creation of the Ohana Zones has enabled new programs to be created within the Statewide Office on Homelessness and Housing. Many of the programs piloted through the Ohana Zones have proven to be beneficial to the community in addressing homelessness. We would like to see these programs funded through this program to continue with an appropriation of \$15million. Once programs have been established and reviewed for their effectiveness, we would like to see them move into the general budget and be added to the core services for homelessness and housing. Until that time, securing an appropriation is paramount.

The additional \$15 million appropriated to Ohana Zones for the purpose of constructing facilities for the ohana zone programs, will ensure that new resources including shelter for individuals will be available.

Thank you for the opportunity to testify today in SUPPORT OF SENATE BILL 1442 SD2 HD1.

Sincerely,



Laura E. Thielen
Executive Director
Partners In Care

SB-1442-HD-1

Submitted on: 4/2/2023 1:30:28 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

‘Ohana Zones are an important tool that can be used to triage the houselessness crisis in Hawai‘i. Projects that receive ‘Ohana Zone funds must have a connection to state and county land, and must provide services to assist homeless individuals and families to access permanent housing.

‘Ohana Zones have the goal of improving the health and well-being of individuals experiencing houselessness and providing access to needed services. ‘Ohana Zones are meant to provide a welcoming, safe haven where individuals experiencing houselessness and those who serve them treat each other as an extended family.

The only way to completely end houselessness is to provide enough permanent, truly affordable housing to meet the community’s housing demand. That will require consistent investments of state money to subsidize housing development and rent subsidies—revenue that should come from enhanced taxes on the sale of multi-million dollar homes, as in SB362.

Ending houselessness once and for all will take years. In the mean time, we need effective stop-gap solutions for people experiencing houselessness now. The ‘Ohana Zones model is tailor made to serve as rapid response to the current crisis. Please support SB1442 SD2 HD1.