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## A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

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

1           SECTION 1. The legislature finds that homelessness  
2 continues to be one of Hawaii's most dire and persistent  
3 challenges. The legislature further finds that the solution to  
4 homelessness lies in the creation of homes that are affordable,  
5 even to individuals with very little income. However, three of  
6 the biggest barriers to creating truly affordable housing for  
7 those most in need are the high cost of construction per unit of  
8 housing; a long and unpredictable planning and permitting  
9 process that adds risk and costs for developers; and opponents  
10 to housing projects that use the difficult planning and  
11 permitting process to block unwanted projects.

12           Despite these obstacles, Hawaii has unique advantages that  
13 it can draw upon to end homelessness, particularly its strong  
14 sense of family and community. Many people experiencing  
15 homelessness build a community with each other where they can  
16 and are accustomed to operating like a village, relying on each  
17 other for safety and support. These supportive networks can be



1 leveraged to create a village-style affordable housing, or  
 2 kauhale, that is less costly to construct and operate.  
 3 Expediting the creation of such kauhale, either through new  
 4 construction or adaptive re-use of existing buildings, can help  
 5 bring an end to Hawaii's homeless crisis.

6 The purpose of this Act is to establish a kauhale program  
 7 under the Hawaii housing finance and development corporation to  
 8 provide housing and services to homeless individuals and  
 9 families who meet the definition of chronically homeless or are  
 10 currently homeless.

11 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is  
 12 amended by adding a new section to be appropriately designated  
 13 and to read as follows:

14 "§201H- Kauhale program; established. (a) There is  
 15 established the kauhale program under the corporation to provide  
 16 individual or shared micro housing units and services to  
 17 homeless individuals and families who:

- 18 (1) Meet the definition of chronically homeless, as  
 19 defined by the United States Department of Housing and  
 20 Urban Development; or



1       (2) Are currently homeless, but do not meet the definition  
2           of chronically homeless due to a stay in temporary  
3           housing or a temporary housing voucher which has since  
4           expired.

5       (b) The corporation shall cooperate with any state  
6       departments or agencies and private nonprofit organizations as  
7       needed to expedite the development and operation of housing  
8       under the kauhale program, including agencies with specific  
9       expertise in construction development and agencies with specific  
10       expertise in administering homeless services. The corporation  
11       shall construct                   kauhale across the State, which shall  
12       be situated on public or private lands in accordance with  
13       subsection (c); provided that the corporation shall identify at  
14       least three sites on Oahu and one site on each of the islands of  
15       Hawaii, Kauai, and Maui for a kauhale.

16       (c) The corporation may coordinate with public or private  
17       entities, as appropriate, to develop and implement the kauhale  
18       program; provided that:

19       (1) If any public land under the jurisdiction of a state  
20           or county agency is determined to be suitable for use  
21           as a kauhale, the corporation shall:



- 1           (A) Work with the appropriate state or county agency  
2           that controls the land to transfer the land  
3           designated for use as a kauhale to an agency or  
4           nonprofit whose mission is more suited to the  
5           management of housing individuals who meet the  
6           definition of chronically homeless persons; and  
7           (B) Work with the appropriate state or county agency  
8           that controls the land and its construction  
9           agency to ensure that the kauhale's  
10           infrastructure needs are met and minimize adverse  
11           impacts to the environment, including to  
12           nearshore resources such as corals, reef fish,  
13           and seabirds;  
14           (2) Use of any private lands determined to be suitable for  
15           use as a kauhale shall be for limited purposes and  
16           require a written agreement between the private land  
17           owner; provided that the private land owner shall  
18           ensure the private lands shall be used for affordable  
19           housing in perpetuity through a deed restriction,  
20           easement, or other legally binding measure; and



- 1       (3) The kauhale communities may allow for off-the-grid  
2       technologies that can provide drinking water,  
3       electricity, and process sewage without existing  
4       infrastructure.
- 5       (d) The kauhale program may provide the following  
6       facilities and services at each site:
- 7       (1) Secure dwelling spaces that:
- 8           (A) May be private or communal;  
9           (B) Are designed aesthetically and constructed of  
10          quality materials;  
11          (C) Have access to toilets, showers, and other  
12          hygiene facilities;  
13          (D) Have access to adequate facilities that allow for  
14          cooking and meal preparation;  
15          (E) Have common spaces that build community and  
16          encourage sustainability; and  
17          (F) Include living units; provided that the size of a  
18          unit in the kauhale shall not exceed five hundred  
19          square feet with livable space not to exceed two  
20          hundred square feet but at least one hundred



1                   twenty square feet of net interior for the  
2                   purposes of keeping cost low;  
3           (2) Medical and social support services; and  
4           (3) Transportation to appointments related to medical care  
5                   or supportive services that are not available onsite.  
6           (e) The construction of living units pursuant to section  
7 (d)(1)(F) shall be exempt from the requirements of chapter 46,  
8 to the extent that any county ordinance, rule, regulation, law,  
9 or provision that applies to any county permitting, licensing,  
10 zoning, variance, processes, procedures, fees, or any other  
11 requirements that hinder, delay, or impede the purposes of this  
12 section; provided that:  
13           (1) All construction shall conform to drawings and plans  
14                   stamped by licensed architects and engineers;  
15           (2) Stamped drawings and plans shall be submitted to the  
16                   appropriate county planning and permitting departments  
17                   for informational purposes;  
18           (3) Submitted plans shall list any deviations from  
19                   existing county building codes; and  
20           (4) No deviations from any county building codes that  
21                   relate to life safety shall be allowed.



1       (f) Contracts, leases, or agreements of sale entered into  
2 by the corporation pursuant to the kauhale program shall be  
3 exempt from the requirements of chapters 103D, 103F, and 104 and  
4 any county codes related to procurement.

5       (g) The corporation may employ persons for the kauhale  
6 program who are exempt from chapters 89 and 89C.

7       (h) Any appropriations by the legislature for the kauhale  
8 program shall be exempt from sections 37-41, 37-74(d)(1), and  
9 section 40-66; provided that any transfers or changes pursuant  
10 to section 37-74(d) shall be considered authorized transfers or  
11 changes for purposes of section 34-74(d)(1).

12       (i) Any meetings by the corporation regarding the kauhale  
13 program shall be exempt from the requirements of chapter 92, to  
14 the extent that any notice requirements or any other provisions  
15 of chapter 92 may delay the expeditious action, decision, or  
16 approval of the corporation for the purposes of this section.

17       (j) The state historic preservation division shall  
18 prioritize the review of projects under the kauhale program and  
19 shall complete its review of the projects within forty-five days  
20 of initiating the review. If a review of a project under the  
21 kauhale program is not completed by the state historic



1 preservation division within forty-five days of the division  
2 initiating its review, the project shall be exempt from chapter  
3 6E; provided that the developer for the project shall commission  
4 historical, cultural, and archaeological background research and  
5 a field inspection report by a licensed archaeologist; provided  
6 further that the report shall:

7       (1) Define the likelihood that historic or cultural assets  
8       may be affected by the project;

9       (2) Make cultural resource management recommendations if  
10       historical or cultural assets are likely to be  
11       affected by the project; and

12       (3) Shall be submitted to the state historic preservation  
13       division for informational purposes.

14       (k) Projects shall be exempt from the land use  
15 requirements under chapter 205; provided that the site plan for  
16 the development of a project shall include measures to conform  
17 with the purposes of the original classification of the land on  
18 which the project is to be built.

19       (1) Projects under the kauhale program shall be exempt  
20 from chapter 343 if the developer of the project, prior to its  
21 development, commissions a phase I environmental site assessment





1 by a licensed environmental professional and the assessment  
2 finds no recognized environmental conditions or identifies  
3 recognized environmental conditions, to be remediated prior to  
4 development.

5 (m) The kauhale program shall be exempt from the  
6 requirements of chapters 171, 205A, 206E, and 346, and sections  
7 102-2, 103-2, 103-53, 103-55, 105-1 to 105-10, and 464-4.

8 (n) The corporation shall establish the following:

9 (1) The criteria that the corporation will use to evaluate  
10 potential kauhale locations;

11 (2) A monthly timetable of milestones that the corporation  
12 expects to meet in establishing the kauhale;

13 (3) The specific, measurable, attainable, reasonable, and  
14 time-based performance measures that the corporation  
15 expects to meet at the end of each fiscal year;

16 (4) The evaluation criteria and process that the  
17 corporation intends to use each year when reviewing  
18 the success and sustainability of the kauhale; and

19 (5) The monitoring and oversight controls that the  
20 corporation will have over the kauhale to identify,  
21 address, and prevent possible fraud, waste, and abuse



1           and ensure compliance with federal, state, and local  
2           laws.

3           (o) There is established a community advisory committee  
4           for the kauhale program to advise and assist the corporation,  
5           which shall comprise the following members appointed by the  
6           governor in the manner provided in section 26-34:

- 7           (1) Two nonprofit developers of affordable housing;
- 8           (2) Two nonprofit homeless services providers; and
- 9           (3) Two individuals who are currently experiencing or have  
10           experienced homelessness within twenty-four months  
11           prior to appointment.

12           (p) The corporation shall submit reports to the  
13           legislature no later than twenty days prior to the convening of  
14           each regular session, beginning with the regular session of  
15           2023.

16           (q) The report submitted no later than twenty days prior  
17           to the convening of the regular session of 2023 shall include  
18           the following information:

- 19           (1) A summary and explanation of the process that the  
20           corporation engaged in to identify possible kauhale  
21           locations; and



1       (2) A summary of the information required under subsection  
2       (n).

3       (r) The reports submitted no later than twenty days prior  
4 to the convening of each regular session following the regular  
5 session of 2023 shall include the following information:

6       (1) The milestones established pursuant to subsection (n)  
7       that were met by the corporation and kauhale  
8       established during the fiscal year;

9       (2) An evaluation of the kauhale to determine whether the  
10       objectives set have been met or exceeded;

11       (3) Any proposed changes that need to be made to the  
12       performance measures used to assess the achievement of  
13       the kauhale program goals; and

14       (4) An assessment of the impact of the kauhale model on  
15       the homelessness problem in the State.

16       (s) As used in this section, "kauhale" means individual or  
17 shared micro housing units and services to homeless individuals  
18 and families who meet the definition of chronically homeless, as  
19 defined by the United States Department of Housing and Urban  
20 Development."



1 SECTION 3. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ or so  
 3 much thereof as may be necessary for fiscal year 2022-2023 to  
 4 establish and administer the kauhale program pursuant to this  
 5 Act.

6 The sum appropriated shall be expended by the Hawaii  
 7 housing development corporation.

8 SECTION 4. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval;  
 10 provided that section 2 shall take effect on July 1, 2022.

11

INTRODUCED BY:

JAN 24 2022



# H.B. NO. 1990

**Report Title:**

Homelessness; Housing; Services; Kauhale Program; Hawaii Housing Finance and Development Corporation; Chronically Homeless; Appropriation

**Description:**

Requires the Hawaii housing finance and development corporation to establish the kauhale program to provide individual or shared micro housing units and services to homeless individuals and families who meet the definition of chronically homeless or are currently homeless. Requires reports to the legislature. Appropriates funds.

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

