

Honolulu, Hawaii

MAR 23 2023

RE: H.B. No. 1397
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Housing and Health and Human Services, to which was referred H.B. No. 1397, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SUPPORTIVE HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Supportive Housing Pilot Program in the statewide Office on Homelessness and Housing Solutions to provide and maintain affordable housing opportunities and supportive services for certain individuals and families with special needs; and
- (2) Appropriate an unspecified amount of funds for the Supportive Housing Pilot Program, including the establishment of positions.

Your Committees received testimony in support of this measure from the Governor's Coordinator on Homelessness; Judiciary; Department of Human Services; Hawaii Public Housing Authority; Hawaii State Council on Developmental Disabilities; Disability and Communication Access Board; Hawaii Housing Finance and Development Corporation; Hope Services Hawaii, Inc.; AARP Hawai'i; Hawaii Substance Abuse Coalition; Hawai'i Association of REALTORS; Catholic Charities Hawai'i; Habitat for Humanity Hawaii Island,



Inc.; AlohaCare; Fuller Lives; Kaiser Permanente Hawai'i; Partners in Care; and seven individuals. Your Committees received comments on this measure from the Department of Public Safety and State Procurement Office.

Your Committees find that people with disabilities are twice as likely to live below poverty level. Without action to address the affordable housing shortage, more people with disabilities are at risk of becoming homeless or institutionalized. Supportive housing is an innovative solution to house special needs populations, which includes the chronically homeless individuals with disabilities, those transitioning from incarceration, and those suffering from substance abuse, and has been shown to decrease homelessness, reduce burdens and costs on public systems, and decrease crime rates. This measure would establish a pilot program to develop and provide supportive housing and services to vulnerable populations to help individuals stay housed and live more productive lives in their communities.

Your Committees received testimony at the public hearing on this measure that it is challenging to determine the results of supportive housing initiatives within the timeframe required by this measure as currently drafted. Your Committees further find that exempting the Hawaii Public Housing Authority and the Statewide Office on Homelessness and Housing Solutions from the State Procurement Code in selecting qualifying nonprofit organizations to administer components of the pilot program serves a compelling public purpose and will assist in efficiently demonstrating to the Legislature the results of the pilot program. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have capped project-based rent supplement payments at \$500 per month to grant the Hawaii Public Housing Authority more flexibility regarding the project-based rent supplement payments;
- (2) Including employment services as a supportive services to be provided to residents participating in the pilot program;



- (3) Clarifying that supportive services funding shall be not more than \$800 per unit per month;
- (4) Exempting the statewide Office on Homelessness and Housing Solutions from chapter 103F, Hawaii Revised Statutes, in selecting a qualified nonprofit organization to administer supportive services payments under the pilot program;
- (5) Extending the deadlines for the joint interim report and joint final report to the Legislature of the findings and recommendations relating to the Supportive Housing Pilot Program by one year;
- (6) Inserting appropriation amounts of:
 - (A) \$50,000,000 for supportive housing projects or supportive housing units in rental projects targeted for certain special needs individuals and families and for the establishment of one full-time equivalent Permanent Housing Finance Specialist I position;
 - (B) \$14,000,000 for contracts with new supportive housing rental projects or supportive housing rental units in rental projects for project-based rent supplement payments for the Pilot Program and for the establishment of full-time equivalent Permanent Housing Public Housing Specialist position;
 - (C) \$10,500,000 for the provision of support services for qualified individuals and families in new supportive housing projects and the establishment of one full-time equivalent permanent position; and
 - (D) \$500,000 for the development of a supportive housing information system;
- (7) Updating section 1 to reflect its amended purpose and further specifying the compelling and public purposes for granting certain exemptions from the State Procurement Code;



- (8) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1397, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1397, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Housing and Health and Human Services,



JOY A. SAN BUENAVENTURA, Chair



STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:
<i>HB 1397, HDI</i>	<i>HOU/HHS, WAM</i>	<i>03/14/2023</i>

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton			✓	
TOTAL	<i>4</i>		<i>1</i>	

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature: *[Signature]*

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*Only one measure per Record of Votes

The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1397 HD1	HOU/HHS, WAM	03/14/23

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.	✓			
AWA, Brenton			✓	
TOTAL	4		1	

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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