THE SENATE THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

S.B. NO. 1040

JAN 2 0 2023

#### 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. Native Hawaiians are disproportionately affected by 4 the housing crisis. Although Native Hawaiians represent less 5 than twenty percent of the State's population, according to the 6 2020 point-in-time count, Native Hawaiians represent over half of all homeless individuals. The Hawaiian Homes Commission Act 7 8 of 1920 was enacted by the United States Congress to distribute 9 benefits to Native Hawaiians. These benefits include establishing a government-sponsored homesteading program. 10 The 11 department of Hawaiian home lands has been granted the authority 12 to lease, not sell, land to native Hawaiian beneficiaries and 13 provide financial assistance.

14 The legislature also finds that the department of Hawaiian 15 home lands owns lots that are available for development along 16 the Leeward coast of Oahu.

17 The purpose of this Act is to:



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1 (1) Establish under the department of Hawaiian home lands 2 a kauhale pilot program on the Leeward coast of Oahu 3 to provide housing and services to homeless Native 4 Hawaiians; 5 (2) Provide exemptions for low-income rentals, tiny homes, 6 and kauhale constructed pursuant to the governor's 7 2015 and 2018 proclamations on homelessness; and 8 (3) Appropriate funds to support the establishment of a 9 kauhale pilot program on the Leeward coast of Oahu. 10 SECTION 2. For the purposes of this Act, "department" 11 means the department of Hawaiian home lands. 12 SECTION 3. (a) There is established the kauhale pilot 13 program on the Leeward coast of Oahu under the department of 14 Hawaiian home lands to provide individual or shared micro 15 housing units and services to homeless Native Hawaiian 16 individuals and families who meet the definition of homeless, as 17 defined by the United States Department of Housing and Urban 18 Development. The department may determine other eligibility 19 requirements as necessary to carry out the purposes of this Act. 20 The department may cooperate with any state (b) 21 departments or agencies and private nonprofit organizations as



needed to expedite the development and operation of housing
 under the kauhale pilot program, including agencies with
 specific expertise in construction development and agencies with
 specific expertise in administering homeless services. The
 department may construct kauhale, that shall be situated
 on the Leeward coast of Oahu.

7 (c) The department may coordinate with public or private
8 entities, as appropriate, to develop and implement the kauhale
9 pilot program; provided that:

10 (1) The department may work with the appropriate 11 construction agency to ensure that the kauhale's 12 infrastructure needs are met and minimize adverse impacts to the environment, including nearshore 13 14 resources such as corals, reef fish, and seabirds; 15 (2) Use of the kauhale may be used for affordable housing 16 through a deed restriction, easement, or other legally 17 binding measure; and

18 (3) The kauhale communities may allow for off-the-grid
19 technologies that can provide drinking water,
20 electricity, and process sewage without existing
21 infrastructure.



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1	(d)	The	kauhale pilot program may provide the following
2	facilitie	s and	services:
3	(1)	Secu	re dwelling spaces that:
4		(A)	May be private or communal;
5		(B)	Are designed aesthetically and constructed of
6			quality materials;
7		(C)	Have access to toilets, showers, and other
8			hygiene facilities;
9		(D)	Have access to adequate facilities that allow for
10			cooking and meal preparation;
11		(E)	Have common spaces that build community and
12			encourage sustainability; and
13		(F)	Include living units; provided that the size of a
14			unit in the kauhale shall not exceed five hundred
15			square feet with livable space not to exceed two
16			hundred square feet but at least one hundred
17			twenty square feet of net interior for the
18			purposes of keeping cost low;
19	(2)	Medi	cal and social support services; and
20	(3)	Tran	sportation to appointments related to medical care
21		or s	upportive services that are not available onsite.



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1	(e)	The construction of living units pursuant to section	
2	(d) (1) (F)	shall be exempt from the requirements of chapter 46,	
3	Hawaii Re	vised Statutes, to the extent that any county	
4	ordinance	, rule, regulation, law, or provision that applies to	
5	any count	y permitting, licensing, zoning, variance, processes,	
6	procedure	s, fees, or any other requirements that hinder, delay,	
7	or impede	the purposes of this section; provided that:	
8	(1)	All construction shall conform to drawings and plans	
9		stamped by licensed architects and engineers;	
10	(2)	Stamped drawings and plans shall be submitted to the	
11		appropriate county planning and permitting departments	
12		for informational purposes;	
13	(3)	Submitted plans shall list any deviations from	
14		existing county building codes; and	
15	(4)	No deviations from any county building codes that	
16		relate to life safety shall be allowed.	
17	(f)	The department may employ persons for the kauhale	
18	pilot pro	gram who are exempt from chapters 89 and 89C, Hawaii	
19	Revised Statutes.		



(g) Any appropriations by the legislature for the kauhale
 pilot program shall be exempt from section 37-41, Hawaii Revised
 Statutes.

The state historic preservation division may 4 (h) 5 prioritize the review of projects under the kauhale pilot 6 program and shall complete its review of the projects within 7 forty-five days of initiating the review. If a review of a 8 project under the kauhale pilot program is not completed by the 9 state historic preservation division within forty-five days of 10 the division initiating its review, the project shall be exempt from chapter 6E, Hawaii Revised Statutes; provided that the 11 12 developer for the project shall commission historical, cultural, 13 and archaeological background research and a field inspection 14 report by a licensed archaeologist; provided further that the 15 report shall:

- 16 (1) Define the likelihood that historic or cultural assets
  17 may be affected by the project;
- 18 (2) Make cultural resource management recommendations if
  19 historical or cultural assets are likely to be
  20 affected by the project; and



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1 (3) Shall be submitted to the state historic preservation 2 division for informational purposes. 3 (i) Projects shall be exempt from the land use requirements under chapter 205, Hawaii Revised Statutes; 4 5 provided that the site plan for the development of a project 6 shall include measures to conform with the purposes of the 7 original classification of the land on which the project is to 8 be built. 9 (j) The kauhale pilot program shall be exempt from the 10 requirements of chapters 206E and 346, and sections 102-2, 11 103-53, 103-55, 105-1 to 105-10, and 464-4, Hawaii Revised 12 Statutes. 13 The department may consult with the department of (k) 14 human services and department of health to administer the kauhale pilot program pursuant to this section. 15 16 (1) As used in this section: "Kauhale" means individual or shared micro housing units 17 18 and services to homeless individuals and families who meet the

20 States Department of Housing and Urban Development.

definition of chronically homeless, as defined by the United



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1	"Kauhale pilot program" means the Kauhale Pilot Program on			
2	the Leeward coast of Oahu established under this Act.			
3	SECTION 4. All kauhale built on the Leeward coast of Oahu			
4	pursuant	to this Act shall be exempt for the duration of the		
5	underlyin	g lease from the following provisions of the Hawaii		
6	Revised Statutes; provided that the housing created under this			
7	Act shall	be safe, sanitary, and suitable for human habitation:		
8	(1)	Chapter 6E, historic preservation;		
9	(2)	Section 37-41, appropriations to revert to state		
10		treasury;		
11	(3)	Section 37-74(d), program execution, except for		
12		sections 37-74(d)(2) and 37-74(d)(3), and any such		
13		transfers or changes shall be considered authorized		
14		transfers or changes for purposes of section		
15		34-74(d)(1) for legislative reporting requirements;		
16	(4)	Section 40-66, lapsing of appropriations;		
17	(5)	Chapter 46, county organization and administration as		
18		any county ordinance, rule, regulation, law, or		
19		provision in any form applies to any county		
20		permitting, licensing, zoning, variance, processes,		

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1		procedures, fees, or any other requirements that
2		hinder, delay, or impede the purpose of this Act;
3	(6)	Chapter 89, collective bargaining in public
4		<pre>employment;</pre>
5	(7)	Chapter 89C, public officers and employees excluded
6		from collective bargaining;
7	(8)	Chapter 92, public agency meetings and records, to the
8		extent that any notice requirements or any other
9		provisions of chapter 92 may delay the expeditious
10		action, decision, or approval of any agency;
11	(9)	Section 102-2, contracts for concessions in government
12		buildings; bid requirements;
13	(10)	Section 103-2, general fund;
14	(11)	Section 103-53, contracts with the State or counties;
15		tax clearances, assignments;
16	(12)	Section 103-55, wages, hours, and working conditions
17		of employees of contractors performing services;
18	(13)	Chapter 103D, Hawaii public procurement code;
19	(14)	Chapter 103F, purchases of health and human services;
20	(15)	Chapter 104, wages and hours of employees on public
21		works;



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1 Sections 105-1 to 105-10, use of government vehicles, (16) limitations; 2 3 (17) Section 127A-30, rental or sale of essential 4 commodities during a state of emergency; prohibition 5 against price increases; Chapter 171, public lands; 6 (18) 7 (19) Chapter 205, land use commission; (20) Chapter 205A, coastal zone management; 8 9 (21) Chapter 206E, Hawaii community development authority; Chapter 343, environmental impact statements; 10 (22)11 (23) Chapter 346, social services; 12 (24)Section 464-4, public works required to be supervised 13 by certain professionals; and 14 Sections 601-1.5, 708-817, 708-818, 708-820, (25) 15 708-830.5, and 708-840, to the extent that these 16 sections contain provisions for the suspension, 17 tolling, extension, or granting of relief from deadlines, time schedules, or filing requirements in 18 19 civil, criminal, or administrative matters before the 20 courts of the State or to the extent that these 21 sections contain provisions for criminal penalties



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that are automatically heightened by reason of any 1 2 declared disaster or emergency. 3 SECTION 5. There is appropriated out of the general 4 revenues of the State of Hawaii the sum of \$ or so 5 much thereof as may be necessary for fiscal year 2023-2024 and 6 the same sum or so much thereof as may be necessary for fiscal 7 year 2024-2025 to establish and administer the kauhale pilot 8 program on the Leeward coast of Oahu. 9 The sums appropriated shall be expended by the department of Hawaiian home lands for the purposes of this Act. 10 11 SECTION 6. This Act shall take effect on July 1, 2023. 12

INTRODUCED BY:

#### Report Title:

Department of Hawaiian Home Lands; Kauhale Pilot Program; Leeward Coast of Oahu; Homelessness; Housing; Services; Appropriation

#### Description:

Requires the Department of Hawaiian Home Lands to establish the Kauhale Pilot Program on the Leeward Coast of Oahu to provide individual or shared micro housing units and services to homeless Native Hawaiian individuals and families who meet the definition of homeless under federal guidelines. Exempts lowincome rentals, tiny home villages, and kauhale from certain provisions for the duration of their underlying leases consistent with the Governor's 2015 and 2018 Proclamations on Homelessness. 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.

