

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

February 19, 2023

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

FROM: Cathy Betts, Director

SUBJECT: [SB 1442 SD1](#) – RELATING TO OHANA ZONES.

Hearing: Wednesday, February 22, 2023, 9:30 a.m.
Conference Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and defers to the Office of the Governor and the Governor's Coordinator on Homelessness. DHS notes an executive budget request for \$15 million for FY24 and FY25 to the Statewide Office on Homelessness and Housing Solutions (SOHHS) to continue the 'Ohana Zones pilot program.

PURPOSE: The bill's purpose is to appropriate funds for the 'Ohana Zones pilot program, including expenses relating to operations, upkeep of facilities, provision of services, and administrative costs. The bill also authorizes the issuance of general obligation bonds for constructing facilities for the 'Ohana Zones pilot program. In addition, the bill establishes one position within the Office of the Governor responsible for the deployment of the capital improvement funds appropriated by this Act. Specifies certain exemptions shall apply to the 'Ohana Zone construction. (SD1)

DHS appreciates the Committee on Housing's amendments:

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

- (2) Inserting expending language and related provisions for the issuance of general obligation bonds;
- (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.

To clarify, the SD1 amendments incorporated exemptions identified in section 3, Act 235, Session Laws of Hawaii 2022, which provides:

"(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 6E, excluding section 6E-43.6; 46, excluding sections 46-1.5(5) (D), 46-1.5(14) (A) (iii), 46-88(c) (5), and 46-88(j); 103D [and]; 103F[-]; and 343, Hawaii Revised Statutes[-]; provided that no contract entered into pursuant to the ohana zones pilot program or structures constructed thereunder shall be exempt from county, state, or federal floodplain management development standards, or statutes, codes, ordinances, rules, or regulations with which compliance is required under the National Flood Insurance Program."

DHS anticipates that a growing number of households will experience housing instability and face eviction due to the continuing impacts of the COVID-19 pandemic, resulting in inflation, and a potential recession. Following the economic recession in 2009, the statewide point-in-time count of homeless individuals increased from 5,782 to a high of 7,921 in 2016 – an increase of 2,139 people (36.9% increase).

Notably, this measure will provide capital funding to maintain existing homeless projects and to construct new facilities to address potential increases in homelessness. 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 pilot program to June 30, 2023. Act 235, SLH 2022, extended the pilot program to June 30, 2026.

Given the projected increases in demand for homeless services, there is a need to sustain and expand the 'Ohana Zones pilot program to provide effective services and expand the available statewide bed inventory.

Thank you for the opportunity to provide testimony 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
Senate Committee on Ways & Means
February 22, 2023
9:30 a.m., Conference Room 221

In consideration of
Senate Bill 1442 SD 1
RELATING TO OHANA ZONES

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

I am writing in support of SB1442 and to offer comments.

Ohana Zones are closely aligned with the Governor's priorities on homelessness, which include an emphasis on kauhale and other 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 city and county of Honolulu, which has the highest number of individuals experiencing homelessness of any county in Hawaii, has seen the number of unsheltered individuals experiencing homelessness rise...and the number of people in shelters decline... despite increased investment in shelters and enforcement. Therefore, the legislature finds that addressing homelessness **requires the courage to try something new.**" (SLH 2018 Act 209, emphasis added)

The original intent of the Ohana Zones pilot was to fund new physical spaces that would offer, "a welcoming, safe haven where individuals experiencing homelessness and those who serve them treat each other as an extended family." The legislature hoped that these zones would, "have the potential to serve individuals experiencing homelessness in a way that existing programs are currently unable." (SLH 2018 Act 209)

Ohana Zones funds were first deployed in 2019 and since then have been used to support a wide range of programs, including temporary shelter, diversion services, transitional housing, and long-term housing.

Should the legislature provide renewed funding for the Ohana Zones program, I intend to refocus the program on innovative approaches and long-term solutions, which I believe are aligned with the original intent of the program. More specifically:

- Kauhale and other innovative housing models that may not qualify for existing sources of funding. Note that kauhale and “village style” housing with shared bathrooms do qualify for funding from the U.S. Department of Housing & Urban Development (HUD).
- Gap funding for permanent supportive housing and wrap around services that help people secure and sustain their housing placement.
- Filling gaps in housing and services for those that may not meet current criteria for prioritization. For example, homeless individuals are disqualified as “chronically homeless” if they enter a hospital or treatment program for 90 days, even if they are discharged back to the street.
- Encourage the building of community and ohana with people being served by any Ohana Zone-funded program, as this is an often under-appreciated factor in whether people can sustain their housing.
- Evaluate the Ohana Zones program based on its ability to provide sustained housing placements for people experiencing homelessness.

With regard to Section 3, I support the inclusion of funds for Ohana Zone construction and capital improvements, but defer to the Department of Budget & Finance on the use of general obligation bonds to generate these funds.

With regard to Section 1, I appreciate and support the inclusion of a position to administer Ohana Zone capital improvement funds. Historically my office has not been staffed to engage in construction-related procurement and oversight, yet this capacity is needed, given the administration’s new focus on creating kauhale and permanent housing for those experiencing homelessness.

Because other sections of the bill provide the Governor with the ability to transfer appropriation and expenditure authority to designated executive branch departments or agencies, I would recommend adding the following language to the end of Section 1: The Gov may transfer the position to a designated executive branch department or agency for the purpose of implementing the use of the capital improvement funds.

Mahalo for your consideration.

James Koshiba
Governor’s Coordinator on Homelessness



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The State Legislature
Senate Committee on Ways and Means
Wednesday, February 22, 2023
Conference Room 211, 9:30 a.m.

TO: The Honorable Donovan Dela Cruz, Chair
RE: Support for S.B. 1442, SD1 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 nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families

AARP supports S.B. 1442 SD1 which appropriates funds for the ohana zones pilot program contract and authorizes the issuance of general obligations bonds for the constructions of facilities for the ohana zone program.

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 AARP/Statista analysis of close to 1000 older adults (age 55+) are expected to be evicted in 2023 and more than 1500 older (55+) are expected to experience homelessness in 2023 in Hawaii. It is essential to assist older adults and others from facing housing crisis. Funding 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 S.B. 1442, SD1.

Sincerely,

A handwritten signature in black ink that reads "Keali'i Lopez". The signature is written in a cursive, flowing style.

Keali'i Lopez, State Director

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 SD1, RELATING TO OHANA ZONES

TO: Senate Committee on Ways and Means

FROM: Partners In Care (PIC)

HEARING: **Tuesday, February 22nd, 9:30 am, Conference Room 211/videoconference**

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

Thank you for the opportunity to provide testimony in **SUPPORT of SB1442 SD1 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 SD1.

Sincerely,



Laura E. Thielen
Executive Director
Partners In Care

Opportunity Youth Action Hawai'i

LATE

February 22, 2023

Senate Committee on Ways and Means

Hearing Time: 09:30 a.m.

Location: State Capitol

Re: SB 1442 SD1, Relating to 'Ohana Zones

Aloha e Chair Dela Cruz, and members of the Committee:

We are writing in **strong support** of SB 1442, Relating to 'Ohana Zones.

This bill will appropriate funds for the 'ohana zones pilot program, including expenses relating to operations, upkeep of facilities, provision of services, and administrative costs; authorize the issuance of general obligation bonds for the construction of facilities for the 'ohana zones pilot program; establish one position within the Office of the Governor responsible for the deployment of the capital improvement funds appropriated by this Act; and specify certain exemptions that shall apply to the 'ohana zone construction.

We are in support of the continuation of the 'ohana zones program and believe that it is serving its intended purpose to provide critical services to the State's homeless population. Opportunity Youth Action Hawai'i is especially concerned about homelessness among youth, with research showing that youth aged 12–17 are at higher risk than adults of becoming homeless. According to a recent report, transition-aged youth between 18 and 24 years are one of the fastest growing homeless populations. Homeless youth often do not receive adequate services. They may not meet shelter admission policies, and, at times, there is a lack of bed space for youth. Although homeless young adults can use shelter services, services may not always be a good fit for the needs of the transitioning population. This bill is an important step among many that need to be taken to address homelessness in our community. We ask that you support it.

Opportunity Youth Action Hawai'i is a collaboration of organizations and individuals committed to reducing the harmful effects of a punitive incarceration system for youth; promoting equity in the justice system; and improving and increasing resources to address adolescent and young adult mental health needs. We seek to improve the continuity of programs and services for youth and young adults transitioning from minor to adult status; eliminate youth houselessness and housing market discrimination against young adults; and promote and fund more holistic and culturally-informed approaches among public/private agencies serving youth.

Please support SB 1442 SD1.

2/18/2023

To: Chair Chang and Members of the House Committee on Housing

From: Gerry Ranario

Subject: SB 1442 – RELATING TO OHANA ZONES

Date: Wednesday, February 22, 2023,

Place and Time: 9:30 AM, Conference Room 211 & Videoconference, State Capitol

My name is Gerry Ranario. I am a BSW student at the Thompson School of Social Work at the University of Hawaii at Manoa and a Healthcare Worker at Kaiser Permanente. I am here in support of bill SB1442 SD1. I write this testimony not as a social work student or a healthcare worker but as a resident of Hawaii who was born and raised here and has seen the impacts of homelessness on our community.

I support this bill because it brings about change and progress to a situation without end.

Homelessness affects every Hawaii community; many families know someone or have someone homeless. I, for one, have a homeless loved one; she is my sister, so this hits home for me because I can only hope she could benefit from a place like the Ohana Zone. My biggest worry is whether she has a safe place to sleep or something to eat. I pray for her every day.

Here in Hawaii, we have the highest cost of living and the highest number of homeless people with a low inventory of affordable housing. The Ohana Zone, even if it is just the start, provides hope to many people looking for a way out of homelessness. If successful, It will provide a safe place that families can call home. Families will have one less thing to worry about when they are safe and secure. When that happens, families can start to thrive.

I believe in this bill and its merits. This could be the start of something meaningful and the catalyst that helps turn the tide of homelessness. Please consider this bill because many people, including communities, will benefit.

Mahalo Nui Loa

Gerry D. Ranario

Email: ranariog@hawaii.edu

SB-1442-SD-1

Submitted on: 2/19/2023 9:43:52 PM

Testimony for WAM on 2/22/2023 9:30:00 AM

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

Comments:

The way to end houselessness is to provide enough permanent, truly affordable housing to meet our state’s housing needs. That will require consistent investments of public money to subsidize the development of enough affordable housing units and rent subsidies for very low-income families who still do not earn enough for affordable housing rents.

It will take hundreds of millions of public dollars every year for multiple years to catch up to the public need for affordable homes. That money should come from enhanced revenue from taxes on wealth. We must get started right away, which is why passing tax revenue bills this year is critical.

But in the mean time, the houselessness crisis continues to grow, and we need immediate solutions for unsheltered people. The ‘Ohana Zones concept is something we should support among many strategies for getting people off the streets and into shelter. Please support SB1442 SD1.

The Honorable Senator Donovan Dela Cruz, Chair
Senate Committee on Ways & Means

Support for S.B. No. 1442, S.D. 1, Relating to Ohana Zones

Wednesday, February 22, 2023, 9:30 a.m.

Conference Room 211 & Videoconference, State Capitol

Aloha, my name is Crystal Caraballo, and I am a BSW student at the Thompson School of Social Work at the University of Hawai'i at Mānoa. I am also a constituent in Puna Districts 2 and 4 on the Big Island. I strongly support SB 1442_SD1, Relating to Ohana Zones, which would appropriate funds for the program, including but not limited to operational expenses and the cost to upkeep facilities. I am writing this testimony representing myself and on behalf of my family members and friends who have experienced homelessness in our Hawaii communities.

Many Hawaii families and individuals are experiencing or will experience houselessness at some point, primarily because of Hawaii's high cost of living. The Covid-19 pandemic has exacerbated this reality, skyrocketing the price of everything, including utilities and food costs. Unfortunately, my father has been houseless for a few years. He struggles with addiction and can't afford the high cost of rent in our state. He is someone who could benefit from the Ohana Zones program.

The Ohana Zones program will provide economic funding to implement innovative homegrown approaches to serve and house Hawaii's people experiencing houselessness. Building Kauhale for houseless residents is one example of a system that fits our traditional village-style housing and aligns with our culture. This idea could

come to fruition with Ohana Zone appropriations. Funding this program will allow for the continuation of solutions in addressing the houselessness and housing issues here in Hawaii.

Thank you very much for your time and the opportunity to provide testimony on this measure.

Mahalo,

Crystal Caraballo

Email: clrios@hawaii.edu

The Honorable Senator Donovan Dela Cruz, Chair
Senate Committee on Ways & Means

Support for S.B. No. 1442, S.D. 1, Relating to Ohana Zones

Wednesday, February 22, 2023, 9:30 a.m.

Conference Room 211 & Videoconference, State Capitol

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Thank you very much for your time and the opportunity to provide testimony on this measure.

Mahalo,

Crystal Caraballo

Email: clrios@hawaii.edu

SB-1442-SD-1

Submitted on: 2/20/2023 9:10:03 PM

Testimony for WAM on 2/22/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lindsay Ann Pacheco	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Committee Members.

My name is Lindsay Ann Pacheco and as someone who has experienced houselessness for nearly 9 years before finally getting housed just over 2 years ago, I can be the first to tell you that it has not been easy one bit of the way to get to where I am at now. I am writing here in strong support of SB1442.

We need measures such as SB1442 in place in order to effectively help address our current houselessness crisis. Unless more long term supportive solutions are put in place such as Kauhale or "village style" programs via Ohana Zones & it's funding, we will only continue "sweeping the problem under the rug" or as I prefer to say it "slapping another band-aid on the issue hoping it'll solve itself." Houselessness will not disappear nor solve itself! We have to actually do something with a long term focus at the forefront. Our current situation within our state did not get this bad over night. Therefore it cannot be solved over night. However, with more plans aiming towards long-term solutions that have a much better chance of successfully working, we may actually be able decrease the amount of actual homeless individuals and families currently residing on our streets here in our state. With measures such as SB1442 in place, we have a better chance of working towards more long term solutions.

I strongly support SB1442. Thank you for allowing me to share this testimony.

Lindsay Ann Pacheco