

STAND. COM. REP. NO. 3

Honolulu, Hawaii

**JAN 30** , 2025

RE: H.B. No. 431  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 431 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Appropriate funds for the continued operation of the Kauhale Initiative;
- (2) Establish and appropriate funds into and out of the Supportive Housing Special Fund to assist the Hawaii Housing Finance and Development Corporation to facilitate the development of mixed-income rental housing projects; and
- (3) Establish the Kauhale Initiative Special Fund to assist the Statewide Office on Homelessness and Housing.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness; Department of Human Services; Hawai'i State Council on Developmental Disabilities; Kaua'i County Housing Agency; Catholic Charities Hawai'i; Hawaii Substance Abuse Coalition; Democratic Party of Hawai'i; Reimagining Public Safety in Hawai'i Coalition; Hawai'i

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Health & Harm Reduction Center; Going Home Hawai'i; and three individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that Hawaii has the highest homelessness rate per capita in the nation. The State has made significant strides in addressing the pressing issue of homelessness, but continued efforts are needed. This measure represents a critical step forward in meeting the housing needs of Hawaii's most vulnerable populations by providing additional funds for the Kauhale Initiative and enabling the Hawaii Housing Finance and Development Corporation to work with developers to create additional supportive housing units. This measure further supports efforts to build partnerships between government and the community, which will help create an effective, efficient, and transparent system for developers, service providers, individuals with special housing needs, and the community as a whole.

Your Committee notes that to ensure transparency and fairness within the community, the procurement of services and projects related to the Kauhale Initiative should be awarded, to the extent possible, to multiple bidders and not just a single entity.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Deleting language that attempted to prevent the proper lapse of a general fund appropriation at the end of the fiscal biennium for which the appropriation was made;
- (3) Deleting language that would have established the Kauhale Initiative Special Fund;
- (4) Inserting language that appropriates an unspecified amount to assist the Statewide Office on Homelessness and Housing Solutions in implementing the Kauhale Initiative;
- (5) Changing the effective dates to June 29, 3000, and July 1, 3000, respectively, to encourage further discussion; and



- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$50,000,000 for the continued operation of the Kauhale Initiative and \$12,000,000 to be deposited into and out of the Supportive Housing Special Fund, including \$11,810,250 for the financing of the development, operation, and maintenance of affordable, supportive housing projects and the provision of supportive services for households with special needs who reside in the supportive housing projects and \$189,750 for the establishment and hiring of one temporary full-time equivalent (1.0 FTE) Housing Finance Specialist I within the Hawaii Housing Finance and Development Corporation to help with administration of the special fund.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 431, H.D. 1, and be referred to your Committee on Housing.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services &  
Homelessness,



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LISA MARTEN, Chair



