

STAND. COM. REP. NO.

765

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 431
H.D. 2

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

Madame:

Your Committee on Housing, to which was referred H.B. No. 431, H.D. 1, 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 Kauhale Initiative;
- (2) Establish and appropriate funds into and out of the Supportive Housing Special Fund; and
- (3) Appropriate funds to assist the Statewide Office of Homelessness and Housing Solutions to implement the Kauhale Initiative.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness; Department of Human Services; State Council on Developmental Disabilities; Hawaii Housing Finance and Development Corporation; Office of Hawaiian Affairs; Office of Housing of the City and County of Honolulu; Office of Housing and Community Development of the County of Hawai'i; Hawaii Substance Abuse Coalition; Hawai'i Health & Harm Reduction Center; Democratic Party of Hawai'i; Catholic Charities Hawai'i; Kūpuna Caucus of the Democratic Party of

2025-1813 HB431 HD2 HSCR HMSO



Hawai'i; The Institute for Human Services, Inc.; Hawai'i State Youth Commission; Hawai'i Community Foundation; Hawaii Appleseed Center for Law & Economic Justice; Maui Chamber of Commerce; Pacific Housing Assistance Corporation; and four individuals. Your Committee received comments on this measure from the Department of Budget and Finance and State Procurement Office.

Your Committee finds that Hawaii faces a severe housing crisis, with a critical shortage of affordable and supportive housing options for homeless individuals and those at risk of homelessness. Despite ongoing efforts, the State continues to experience rising homelessness and insufficient long-term housing solutions to meet the growing demand. This measure is essential to strengthen the State's capacity to work with developers in creating additional housing, ensuring more sustainable and permanent solutions to address housing insecurity and promote community stability.

Your Committee has amended this measure by:

- (1) Expanding the authorized uses of funds appropriated for the Kauhale Initiative;
- (2) Authorizing funds appropriated for the Kauhale Initiative to be used for the Ohana Zones Pilot Program established under Act 209, Session Laws of Hawaii 2018;
- (3) Requiring at least two bidders for any kauhale project estimated to be over \$1,000,000 if appropriated funds are used to contract for the procurement of building services and projects related to the Kauhale Initiative;
- (4) Deleting the unspecified appropriation to the Statewide Office on Homelessness and Housing Solutions to implement the Kauhale Initiative; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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



to your Committee on Finance in the form attached hereto as H.B.
No. 431, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



LUKE A. EVSLIN, Chair



