

STAND. COM. REP. NO. 1287

Honolulu, Hawaii

**MAR 21 2025**

RE: H.B. No. 431  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committees on Health and Human Services and Housing, to which was referred H.B. No. 431, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate funds for the continued operation of the Kauhale Initiative and authorize those funds to be used for the Ohana Zones Pilot Program; and
- (2) Establish and appropriate funds into and out of the Supportive Housing Special Fund.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; State Council on Developmental Disabilities; Department of Human Services; Statewide Office on Homelessness and Housing Solutions; Office of Hawaiian Affairs; Office of Housing and Community Development of the County of Hawai'i; Office of Housing of the City and County of Honolulu; Hawai'i State Youth Commission; Catholic Charities Hawai'i; Hawai'i Health & Harm Reduction Center; Hawaii Substance Abuse Coalition; Maui Chamber of Commerce; Hawaii Young Adults in Transition; Hawai'i Community Foundation; Pacific Housing Assistance Corporation; Hawai'i Appleseed Center for Law &



Economic Justice; Easterseals Hawaii; Young Democrats of Hawai'i; Democratic Party of Hawai'i; The Institute for Human Services, Inc.; and four individuals.

Your Committees received comments on this measure from the Department of Budget and Finance and State Procurement Office.

Your Committees find that to meet the State's needs for long-term solutions to homelessness and the risk of homelessness, it is necessary for the State to develop the capacity of the Hawaii Housing Finance and Development Corporation to work with developers to create additional supportive housing units. Your Committees further find that both the Ohana Zones Pilot Program and the Kauhale Initiative aim to provide supportive housing and services with an emphasis on community-based solutions. This measure provides funding for the continued implementation of the Ohana Zones Pilot Program and the Kauhale Initiative, in addition to funding for the Hawaii Housing Finance and Development Corporation for the development, operation, and maintenance of affordable, supportive housing projects and the provision of supportive services, to further expand affordable housing inventory and supportive services for individuals experiencing or at the risk of homelessness throughout the State.

Your Committees have amended this measure by:

- (1) Deleting language that would have allowed funds appropriated for the continued implementation of the Kauhale Initiative to be used for the Ohana Zones Pilot Program established under Act 209, Session Laws of Hawaii 2018;
- (2) Deleting language that would have allowed:
  - (A) The Governor to transfer all or a portion of the appropriations for the continued implementation of the Kauhale Initiative to the Governor's designated executive branch departments or agencies, including the Statewide Office on Homelessness and Housing Solutions, for expenditures incurred to implement the Kauhale Initiative; and



- (B) The Governor's designated executive branch departments or agencies to expend the transferred appropriations for the performance of their duties under the Kauhale Initiative;
- (3) Deleting language that would have provided that if funds appropriated for the continued implementation of the Kauhale Initiative are used to contract for the procurement of building services and projects related to the Kauhale Initiative, there shall be at least two bidders for any kauhale project estimated to be over \$1,000,000;
- (4) Inserting a blank appropriation amount for the continued implementation of the Ohana Zones Pilot Program established under Act 209, Session Laws of Hawaii 2018;
- (5) Deleting language that would have established a Supportive Housing Special Fund to be administered by the Hawaii Housing Finance and Development Corporation;
- (6) Deleting language that would have made appropriations into and out of the Supportive Housing Special Fund;
- (7) Inserting a blank appropriation amount to be expended by the Hawaii Housing Finance and Development Corporation for 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;
- (8) Amending the legislative findings of part III to reflect its amended purpose;
- (9) Amending section 1 to reflect its amended purpose; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that this measure contains unspecified appropriation amounts. Your Committees respectfully request that the Office of the Governor provide to your Committee on Ways and



Means the amounts necessary for the continued implementation of the Kauhale Initiative and Ohana Zones Pilot Program respectively, and the development, operation, and maintenance of affordable supportive housing projects and the provision of support services for households with special needs who reside in the supportive housing projects by the Hawaii Housing Finance and Development Corporation, should your Committee on Ways and Means choose to deliberate on this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 431, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 431, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

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

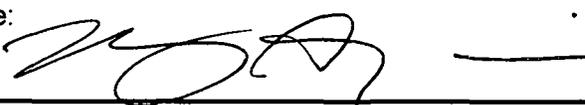
  
STANLEY CHANG, Chair

  
JOY A. SAN BUENAVENTURA, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Health and Human Services**  
**HHS**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 431, HD2	HHS/HOU, WAM	3/12/25
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
SAN BUENAVENTURA, Joy A. (C)	✓	
AQUINO, Henry J.C. (VC)	✓	
HASHIMOTO, Troy N.	✓	
KEOHOKALO, Jarrett	✓	
FEVELLA, Kurt	✓	
<b>TOTAL</b>	5	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy		

\*Only one measure per Record of Votes

