

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
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 LAWE LAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 6, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1610 – RELATING TO OHANA ZONES.**

Hearing: Wednesday, February 5, 2025, 1:00 p.m.
Conference Room 225 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill, defers to the Office of Homelessness and Housing Solutions and other involved departments and offices, provides comments, and suggests an amendment.

PURPOSE: This bill establishes the Ohana Zones Program as a permanent program within the Statewide Office on Homelessness and Housing Solutions. Exempts Ohana Zone projects from general excise taxes. Requires annual reports to the Legislature.

DHS agrees that the Ohana Zone Pilot Program was successful in supporting a variety of solutions to address homelessness across the State. The collaboration between the State and County-based initiatives is the notable strength of the Ohana Zone Pilot Program projects, as sustainable efforts were aligned. The Ohana Zone Pilot Program also allowed support for testing and innovating solutions that were not supported by federal funds, especially during the COVID-19 pandemic when state funds were immediately available to support the Homeless Outreach and Navigation for Unsheltered (HONU) program and other efforts to mitigate conditions in congregate shelters.

DHS respectfully suggests an amendment that a definition of Kauhale be included within Section 4 proposed definition of "Ohana Zone" to avoid a title problem with the bill and clarify that Kauhale are included in the "Ohana Zone" program. The appropriation sections may also need to be combined.

Thank you for the opportunity to testify in strong support of this measure.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 1610, Relating to Ohana Zones

BEFORE THE:

Senate Committees on Health and Human Services, and Housing

DATE: Friday, February 7, 2025

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 225

Chairs San Buenaventura and Chang, Vice-Chairs Aquino and Hashimoto, and
Members of the Committees:

The Department of Taxation (DOTAX) offers the following comments regarding
S.B. 1610 for your consideration.

S.B. 1610 seeks to establish under chapter 346, Hawaii Revised Statutes
(HRS), the Ohana Zones program as a permanent program within the statewide office
on homelessness and housing solutions.

Section 3 of the bill amends section 201H-36(a)(2), HRS, to allow the Hawaii
Housing Finance and Development Corporation (HHFDC), in accordance with section
237-29, HRS, to approve and certify for exemption from general excise taxes (GET) any
qualified person or firm involved with a newly constructed, or a moderately or
substantially rehabilitated project developed under the Ohana Zones program. Section 3
also amends section 201H-36(b)(2), HRS, to require that Ohana Zones projects enter
into a regulatory agreement with HHFDC for a minimum term of 10 years to qualify for
the GET exemption.

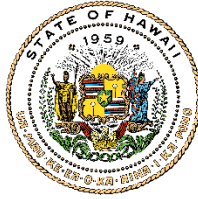
The measure would be effective on July 1, 2025, provided that the amendments under section 3 of the bill will not be repealed on June 30, 2030, as provided under section 4 of Act 39, Session Laws of Hawaii 2018.

DOTAX can administer this measure by the effective date.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.
GOVERNOR | KE KIA ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA**

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the Senate Committees on
HEALTH AND HUMAN SERVICES
and
HOUSING**

**Friday, February 7, 2025
1:00 PM**

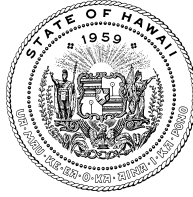
State Capitol, Conference Room 225 and Via Videoconference

**In consideration of
SENATE BILL 1610
RELATING TO OHANA ZONES**

Senate Bill 1610 Establishes the Ohana Zones Program as a permanent program within the Statewide Office on Homelessness and Housing Solutions (OHHS), exempts ohana zones projects from general excise taxes, requires annual reports to the Legislature, and appropriates funds. **The Department of Land and Natural Resources (Department) offers the following comments.**

This measure requests that OHHS work with appropriate state or county agencies to transfer land determined to be suitable for use as an ohana zone to OHHS. The Department recognizes the need for innovative solutions to the ongoing housing crisis but notes that most lands under the jurisdiction of the Board of Land and Natural Resources which are located in urban areas and have access to infrastructure are already set aside to other government agencies or otherwise under long-term dispositions. The Department remains committed to assisting OHHS in implementing the Ohana Zones Program.

Mahalo for the opportunity to provide comments on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

JOHN MIZUNO
DIRECTOR
STATEWIDE OFFICE ON HOMELESSNESS & HOUSING SOLUTIONS

Testimony of **John M. Mizuno**
Governor's Coordinator on Homelessness
Before the
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
&
SENATE COMMITTEE ON HOUSING
Friday, February 7, 2025
1:00 p.m.
Conference Room 225, State Capitol

In consideration of
Senate Bill No. 1610
RELATING TO OHANA ZONES

Aloha Chair San Buenaventura, Chair Chang, Vice Chair Aquino, Vice Chair Hashimoto and Committee Members,

My name is John Mizuno. I am the Governor's Coordinator on Homelessness and the Director of the Statewide Office on Homelessness and Housing Solutions (SOHHS).

First, on behalf of my office and Governor Green, I want to thank the Senate for introducing SB1610.

I am writing in strong support of **Senate Bill 1610**, which establishes the Ohana Zones Program as a permanent program within the Statewide Office on Homelessness and Housing Solutions, exempts Ohana Zone projects from general excise taxes, requires annual reports to the Legislature, and appropriates funds.

We agree with the legislature's findings in **SB 1610** that Act 209, Session Laws of 2018 (Act 209), established a pilot program for the establishment of ohana zones to improve the health and well-being of individuals experiencing homelessness and provide them with needed services. Act 209 also required the designation of at least three Ohana zone sites on Oahu and one site on each of the neighboring islands.

John M. Mizuno Testimony on SB1610

Joint Senate Committee on Health and Human Services and the Committee on Housing

February 7, 2025

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We also agree that since the creation of the Ohana Zones pilot program, the governor has designated the statewide office on homelessness and housing solutions, an agency established by Act 252, Session Laws of Hawaii 2022, and administratively attached to the Department of Human Services, to develop, manage, and implement it.

We further agree that the 2021 report on the ohana zones pilot program sought to broaden the program beyond temporary housing to promote affordable rental housing for persons transitioning out of homelessness, thus including projects with permanent and semi-permanent housing, such as the Kamaoku kauhale on Oahu for homeless single adults and that the report noted a decrease of 43.7 percent in the point in time counts from 2016 to 2020 for persons in homeless families, and an overall decrease in homelessness in Hawaii statewide.

We also agree that although the Ohana Zones pilot program was extended to June 30, 2026, by Act 235, Session Laws of Hawaii 2022, noting its success to date, it should be made permanent to ensure continued support for the state's homeless population.

Thank you, Chair San Buenaventura, Chair Chang, Vice Chair Aquino, Vice Chair Hashimoto, and Committee Members, for the opportunity to provide testimony in strong support of Senate Bill 1610. I am grateful for your consideration of this important measure and its positive impact on the lives of those facing housing instability. We appreciate the legislature's continued commitment to helping those facing housing instability.

Mahalo!

John Mizuno

Governor's Coordinator on Homelessness and Housing Solutions

KAUA'I COUNTY HOUSING AGENCY

ADAM ROVERSI, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Adam Roversi

Director, Kaua'i County Housing Agency

Before the

Senate Committee on Health and Human Services, and Housing

Friday, February 7, 2025, at 1:00 p.m.

Conference Room 225 & Videoconference

In consideration of

Senate Bill 1610

Relating to 'Ohana Zones

Honorable Chair San Buenaventura, Honorable Chair Chang, Vice Chair Aquino, Vice Chair Hashimoto and Members of the Committees:

The Kaua'i County Housing Agency **strongly supports** SB 1610, relating to 'Ohana Zones and establishing the 'Ohana Zones Program as a permanent program within the Statewide Office on Homelessness and Housing Solutions, exempts 'Ohana Zones projects from general excise taxes, requires annual reports to the Legislature, and appropriates funds.

By making 'Ohana Zones a permanent program it will continue to support the vital operations of our existing Supportive Housing Projects for homeless families at Kealaula on Pua Loke and Lima Ola Supportive Housing; both developed in partnership with the state. Kaua'i's Supportive Housing projects have placed hundreds of homeless families and families at imminent risk of becoming homeless including keiki, into safe shelter. At both Kaua'i Supportive Housing locations wrap-around support services are provided to address the tenants' individual roadblocks to permanent housing. The state's continued support of these services is an integral part of the solution to homelessness that all of Hawai'i's counties are facing.

Thank you for the opportunity to testify and for your consideration.



TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE; Ohana Zones Program, General Excise Tax Exemption

BILL NUMBER: SB 1610

INTRODUCED BY: SAN BUENAVENTURA, HASHIMOTO, KEOHOKALOLE,
RICHARDS, Wakai

EXECUTIVE SUMMARY: Establishes the Ohana Zones Program as a permanent program within the Statewide Office on Homelessness and Housing Solutions. Exempts ohana zones projects from general excise taxes.

SYNOPSIS: Adds a new section to Chapter 346 to establish the Ohana Zones Program to provide temporary housing and services to homeless individuals and families.

Amends section 201H-36(a) and (b), HRS, to provide the Hawaii Housing Finance and Development Corporation, HHFDC, the ability to approve and certify exemption from general excise tax, in accordance with section 237-29, HRS, any qualified person or firm involved with a newly constructed or moderately or substantially rehabilitated project developed under the Ohana Zones Program.

EFFECTIVE DATE: July 1, 2025; provided that amendments made to section 201H-36 by section 3 of this Act shall not be repealed when that section is reenacted on June 30, 2030.

STAFF COMMENTS: Currently, HRS section 237-29 provides a general excise tax exemption for the gross income received by qualified persons for planning, design, financing, construction, sale or lease of a housing project that has been certified or approved by the HHFDC under HRS section 201H-36.

The measure amends Section 201H-36, HRS, to allow HHFDC the ability to approve and certify general excise tax exemptions for projects developed under the newly established Ohana Zones Program. The proposed amendment appears reasonable and consistent with current law for programs administered by HHFDC.

Digested: 2/4/2025

LATE

SB-1610

Submitted on: 2/6/2025 8:40:27 PM

Testimony for HHS on 2/7/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Oppose	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry OPPOSE 1610 SB RELATING TO OHANA ZONES.

Comment: OHANA ZONES does not work, poor in-take at the individual sites.

LATE

SB-1610

Submitted on: 2/7/2025 9:46:20 AM

Testimony for HHS on 2/7/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Angela Young	Testifying for CARES Community Advocacy Research Education Services	Support	Remotely Via Zoom

Comments:

Support