
A BILL FOR AN ACT

RELATING TO OHANA ZONES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 209, Session
2 Laws of 2018 (Act 209), established a pilot program for the
3 establishment of ohana zones, with the goal of improving the
4 health and well-being of individuals experiencing homelessness
5 and providing individuals experiencing homelessness with needed
6 services. Act 209 required the designation of at least three
7 ohana zone sites on Oahu and one site on each of the neighbor
8 islands. Since the creation of the ohana zones pilot program,
9 the governor designated the statewide office on homelessness and
10 housing solutions, an agency established by Act 252, Session
11 Laws of Hawaii 2022, and administratively attached to the
12 department of human services, to develop, manage, and implement
13 the ohana zones pilot program.

14 The legislature further finds that the 2021 report on the
15 ohana zones pilot program sought to broaden the program beyond
16 temporary housing to promote affordable rental housing for
17 persons transitioning out of homelessness, thus including



1 projects with permanent and semi-permanent housing, such as the
2 Kamaoku kauhale on Oahu for homeless single adults. The report
3 noted a decrease of 43.7 per cent in the point in time counts
4 from 2016 to 2020 for persons in homeless families, and an
5 overall decrease in homelessness in Hawaii statewide.

6 The legislature further finds that although the ohana zones
7 pilot program was extended to June 30, 2026, by Act 235, Session
8 Laws of Hawaii 2022, noting the success of the program to date,
9 the legislature believes the program should be made permanent to
10 ensure continued support to the homeless population of the
11 State.

12 Accordingly, the purpose of this Act is to establish the
13 ohana zones program as a permanent program within the statewide
14 office on homelessness and housing solutions.

15 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
16 amended by adding a new section to subpart B of part XVIII to be
17 appropriately designated and to read as follows:

18 "§346- Ohana zones program; establishment; reports. (a)
19 There is established within the statewide office on homelessness
20 and housing solutions the ohana zones program to provide
21 temporary housing and services to homeless individuals and



1 families based on principles similar to the housing first
2 program.

3 (b) The office shall determine the number and locations of
4 the ohana zones, which shall be situated on public or private
5 lands in accordance with subsection (c).

6 (c) The office may coordinate with public or private
7 entities, as appropriate, to develop and implement the ohana
8 zones program; provided that:

9 (1) If any public land under the jurisdiction of a state
10 or county agency is determined to be suitable for use
11 as an ohana zone, the office shall:

12 (A) Work with the appropriate state or county agency
13 that controls the land to transfer the land
14 designated for use as an ohana zone to an agency
15 whose mission is more suited to the management of
16 ohana zones; and

17 (B) Work with the appropriate state or county agency
18 that controls the land and its construction
19 agency to ensure that an ohana zone's
20 infrastructure needs are met and minimize adverse
21 impacts to the environment, including to



1 nearshore resources such as corals, reef fish,
2 and seabirds;

3 (2) Use of any private lands determined to be suitable for
4 use as an ohana zone shall be for limited purposes and
5 require a written agreement between the private land
6 owner and any state or county agency that any
7 structure built with public funds may be moved or is
8 temporary; provided further that if the land ceases to
9 be used for an ohana zone or low-income housing before
10 the time specified in the agreement, the state or
11 county agency may choose to move the structure off the
12 private land to a location of the state or county
13 agency's choosing; and

14 (3) The ohana zones program may allow for off-the-grid
15 technologies that can provide drinking water,
16 electricity, and process sewage without existing
17 infrastructure.

18 (d) The ohana zones program may provide the following
19 facilities and services at each ohana zone site:

20 (1) Secure dwelling spaces that:

21 (A) May be private or communal;



1 (B) Have access to toilets, showers, and other
2 hygiene facilities; and

3 (C) Have access to an area for food storage and meal
4 preparation;

5 (2) Medical and social support services; and

6 (3) Transportation to appointments related to medical care
7 or supportive services that are not available onsite;

8 provided that a person receiving accommodations or services from
9 an ohana zone site may request a ninety-day extension of the
10 person's receipt of accommodations or services, subject to
11 approval by the applicable ohana zone site and other eligibility
12 criteria as determined by each ohana zone site.

13 (e) Contracts entered into by the office shall be exempt
14 from the requirements of chapters 6E, excluding section 6E-43.6;
15 46, excluding sections 46-1.5(5)(D), 46-1.5(14)(A)(iii),
16 46-88(c)(5), and 46-88(j); 103D; 103F; and 343; provided that no
17 contract entered into pursuant to the ohana zones program or
18 structures constructed thereunder shall be exempt from county,
19 state, or federal floodplain management development standards,
20 or statutes, codes, ordinances, rules, or regulations with which



1 compliance is required under the National Flood Insurance
2 Program.

3 (f) The office shall establish the following:

4 (1) The criteria that the agencies will use to evaluate
5 potential ohana zone locations;

6 (2) A monthly timetable of milestones that the office
7 expects to meet in establishing ohana zones;

8 (3) The specific, measurable, attainable, reasonable, and
9 time-based performance measures that the office
10 expects to meet at the end of each fiscal year;

11 (4) The evaluation criteria and process that the office
12 intends to use each year when reviewing the success
13 and sustainability of the ohana zones; and

14 (5) The monitoring and oversight controls that the office
15 will have over the ohana zones to identify, address,
16 and prevent possible fraud, waste, and abuse and
17 ensure compliance with local, state, and federal laws.

18 (g) The coordinator shall compile and consolidate
19 information from the office to effectuate this section and
20 submit a report to the legislature no later than twenty days



1 prior to the convening of each regular session, which shall
2 include:

3 (1) A summary and explanation of the process that the
4 office engaged in to identify possible ohana zone
5 locations;

6 (2) The milestones established pursuant to subsection (f)
7 that were met by the office and ohana zones
8 established during the immediately preceding fiscal
9 year;

10 (3) An evaluation of the ohana zones to determine whether
11 the objectives set have been met or exceeded;

12 (4) Any proposed changes that need to be made to the
13 performance measures used to assess the achievement of
14 program goals;

15 (5) An assessment of the impact of the ohana zone model on
16 the homelessness problem in the State; and

17 (6) A summary of the information required under
18 subsection (f)."

19 SECTION 3. Section 201H-36, Hawaii Revised Statutes, is
20 amended by amending subsections (a) and (b) to read as follows:



1 "(a) In accordance with section 237-29, the corporation
2 may approve and certify for exemption from general excise taxes
3 any qualified person or firm involved with a newly constructed,
4 or a moderately or substantially rehabilitated, project that is:

5 (1) Developed under this part;

6 (2) Developed under a government assistance program
7 approved by the corporation, including but not limited
8 to the United States Department of Agriculture's
9 section 502 direct loan program [~~and~~], Federal Housing
10 Administration's section 235 program[+], and the ohana
11 zones program established under section 346- ;

12 (3) Developed under the sponsorship of a private nonprofit
13 organization providing home rehabilitation or new
14 homes for qualified families in need of decent,
15 low-cost housing;

16 (4) Developed by a qualified person or firm to provide
17 affordable rental housing where at least fifty per
18 cent of the available units are for households with
19 incomes at or below eighty per cent of the area median
20 family income as determined by the United States
21 Department of Housing and Urban Development, of which



1 at least twenty per cent of the available units are
2 for households with incomes at or below sixty per cent
3 of the area median family income as determined by the
4 United States Department of Housing and Urban
5 Development; or

6 (5) Approved or certified from July 1, 2018, to June 30,
7 2030, and developed under a contract described in
8 section 104-2(i)(2) by a qualified person or firm to
9 provide affordable rental housing through new
10 construction or substantial rehabilitation; provided
11 that:

12 (A) The allowable general excise tax and use tax
13 costs shall apply to contracting only and shall
14 not exceed \$30,000,000 per year in the aggregate
15 for all projects approved and certified by the
16 corporation; and:

17 (B) All available units are for households with
18 incomes at or below one hundred forty per cent of
19 the area median family income as determined by
20 the United States Department of Housing and Urban
21 Development, of which at least twenty per cent of



1 the available units are for households with
2 incomes at or below eighty per cent of the area
3 median family income as determined by the United
4 States Department of Housing and Urban
5 Development; provided further that an owner shall
6 not refuse to lease a unit solely because the
7 applicant holds a voucher or certificate of
8 eligibility under section 8 of the United States
9 Housing Act of 1937, as amended.

10 (b) To obtain certification for exemption under this
11 section, rental housing projects shall, unless exempted by the
12 corporation, enter into a regulatory agreement with the
13 corporation to ensure the project's continued compliance with
14 the applicable eligibility requirements set forth in subsection
15 (a), as follows:

- 16 (1) For moderate rehabilitation projects, a minimum term
17 of five years as specified in a regulatory agreement;
- 18 (2) For substantial rehabilitation projects[7] and ohana
19 zones projects under contracts entered into pursuant
20 to section 346- , a minimum term of ten years as
21 specified in a regulatory agreement; or



(3) For new construction projects, a minimum term of thirty years from the date of issuance of the certificate of occupancy."

SECTION 4. Section 346-361, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Ohana zone" means a place:

(1) That has a program to address basic needs of individuals experiencing homelessness; and

(2) Where wrap-around services, social and health care services, transportation, and other services may be offered with the goals of alleviating poverty and transitioning individuals experiencing homelessness into affordable housing.

"Ohana zone" includes a kauhale."

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the ohana zones program's transient temporary housing.



1 The sums appropriated shall be expended by the department
2 of human services for the purposes of this Act.

3 SECTION 6. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2025-2026 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2026-2027 for the development and management of kauhales or
8 semi-permanent housing to transition persons out of
9 homelessness.

10 The sums appropriated shall be expended by the department
11 of human services for the purposes of this Act.

12 SECTION 7. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on December 31,
15 2050; provided that the amendments made to section 201H-36,
16 Hawaii Revised Statutes, by section 3 of this Act shall not be
17 repealed when that section is reenacted on June 30, 2030,
18 pursuant to section 4 of Act 39, Session Laws of Hawaii 2018.



Report Title:

SOHHS; Ohana Zones Program; Establishment; General Excise Tax; Exemption; Reports; Appropriations

Description:

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. Requires annual reports to the Legislature. Appropriates funds. Effective 12/31/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

