
A BILL FOR AN ACT

RELATING TO OHANA ZONES.

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

SECTION 1. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to subpart B of part XVIII to be appropriately designated and to read as follows:

"§346- Ohana zones program; establishment; reports.

(a) There is established within the statewide office on homelessness and housing solutions the ohana zones program to provide temporary housing and services to homeless individuals and families based on principles similar to the housing first program.

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

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



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

4 (A) Work with the appropriate state or county agency
5 that controls the land to transfer the land
6 designated for use as an ohana zone to an agency
7 whose mission is more suited to the management of
8 ohana zones; and

9 (B) Work with the appropriate state or county agency
10 that controls the land and its construction
11 agency to ensure that an ohana zone's
12 infrastructure needs are met and minimize adverse
13 impacts to the environment, including to
14 nearshore resources, such as corals, reef fish,
15 and seabirds;

16 (2) Use of any private lands determined to be suitable for
17 use as an ohana zone shall be for limited purposes and
18 require a written agreement between the private land
19 owner and any state or county agency that any
20 structure built with public funds may be moved or is
21 temporary; provided that, if the land ceases to be



1 used for an ohana zone or low-income housing before
2 the time specified in the agreement, the state or
3 county agency may choose to move the structure off the
4 private land to a location of the state or county
5 agency's choosing; and

6 (3) The ohana zones program may allow for off-the-grid
7 technologies that can:

8 (A) Provide drinking water and electricity; and

9 (B) Process sewage

10 without existing infrastructure; provided that kauhale
11 shall have connections to public utilities, such as
12 water, sewer, and electricity.

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

15 (1) Secure dwelling spaces that:

16 (A) May be private or communal;

17 (B) Have access to toilets, showers, and other
18 hygiene facilities; and

19 (C) Have access to an area for food storage and meal
20 preparation;

21 (2) Medical and social support services; and



1 (3) Transportation to appointments related to medical care
2 or supportive services that are not available onsite;
3 provided that a person receiving accommodations or services from
4 an ohana zone site may request a ninety-day extension of the
5 person's receipt of accommodations or services, subject to
6 approval by the applicable ohana zone site and other eligibility
7 criteria as determined by each ohana zone site.

8 (e) Contracts entered into by the office shall be exempt
9 from the requirements of chapters 6E, excluding section 6E-43.6;
10 46, excluding sections 46-1.5(5)(D), 46-1.5(14)(A)(iii),
11 46-88(c)(5), and 46-88(j); 103D; 103F; and 343; provided that no
12 contract entered into pursuant to the ohana zones program or
13 structures constructed thereunder shall be exempt from county,
14 state, or federal floodplain management development standards,
15 or statutes, codes, ordinances, rules, or regulations with which
16 compliance is required under the National Flood Insurance
17 Program.

18 (f) The office shall establish the following:

19 (1) The criteria that the agencies shall use to evaluate
20 potential ohana zone locations;



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

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

6 (4) The evaluation criteria and process that the office
7 shall use each year when reviewing the success and
8 sustainability of the ohana zones; and

9 (5) The monitoring and oversight controls that the office
10 shall establish over the ohana zones to identify,
11 address, and prevent possible fraud, waste, and abuse
12 and ensure compliance with local, state, and federal
13 laws.

14 (g) The coordinator shall compile and consolidate
15 information from the office to effectuate this section and
16 submit a report to the legislature no later than twenty days
17 prior to the convening of each regular session, which shall
18 include:

19 (1) A summary and explanation of the process that the
20 office engaged in to identify possible ohana zone
21 locations;



1 (2) The milestones established pursuant to subsection (f)
2 that were met by the office and ohana zones
3 established during the immediately preceding fiscal
4 year;

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

7 (4) Any proposed changes that need to be made to the
8 performance measures used to assess the achievement of
9 program goals;

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

12 (6) A summary of the information required under
13 subsection (f)."

14 SECTION 2. Section 201H-36, Hawaii Revised Statutes, is
15 amended by amending subsections (a) and (b) to read as follows:

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

20 (1) Developed under this part;



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

7 (3) Developed under the sponsorship of a private nonprofit
8 organization providing home rehabilitation or new
9 homes for qualified families in need of decent,
10 low-cost housing;

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



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

7 (A) The allowable general excise tax and use tax
8 costs shall apply to contracting only and shall
9 not exceed \$30,000,000 per year in the aggregate
10 for all projects approved and certified by the
11 corporation; and

12 (B) All available units are for households with
13 incomes at or below one hundred forty per cent of
14 the area median family income as determined by
15 the United States Department of Housing and Urban
16 Development, of which at least twenty per cent of
17 the available units are for households with
18 incomes at or below eighty per cent of the area
19 median family income as determined by the United
20 States Department of Housing and Urban
21 Development; provided further that an owner shall



1 not refuse to lease a unit solely because the
2 applicant holds a voucher or certificate of
3 eligibility under section 8 of the United States
4 Housing Act of 1937, as amended.

5 (b) To obtain certification for exemption under this
6 section, rental housing projects shall, unless exempted by the
7 corporation, enter into a regulatory agreement with the
8 corporation to ensure the project's continued compliance with
9 the applicable eligibility requirements set forth in subsection

10 (a), as follows:

11 (1) For moderate rehabilitation projects, a minimum term
12 of five years as specified in a regulatory agreement;

13 (2) For substantial rehabilitation projects[7] and ohana
14 zones projects under contracts entered into pursuant
15 to section 346-___, a minimum term of ten years as
16 specified in a regulatory agreement; or

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



SECTION 3. Section 346-361, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Kauhale" means:

- (1) A program to address the basic needs of individuals experiencing houselessness; and
- (2) Affordable housing spaces that are communal living spaces with individual household units and charge monthly rents no more than thirty per cent of the area median income level.

"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 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2025-2026 for
2 the ohana zones program's transient temporary housing; provided
3 that no more than \$ in general funds shall be spent on
4 kauhale.

5 The sum appropriated shall be expended by the department of
6 human services for the purposes of this Act.

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

12 The sum appropriated shall be expended by the department of
13 human services for the purposes of this Act.

14 SECTION 6. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 7. This Act shall take effect on December 31,
17 2050, and shall be repealed on June 30, 2026; provided that
18 section 201H-36(a) and (b), Hawaii Revised Statutes, shall be
19 reenacted in the form in which it read on the day prior to the
20 effective date of this Act.



Report Title:

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

Description:

Establishes the Ohana Zones Program as a program within the Statewide Office on Homelessness and Housing Solutions. Authorizes the Hawaii Housing Finance and Development Corporation to exempt ohana zones projects from general excise taxes. Requires annual reports to the Legislature. Appropriates funds. Effective 12/31/2050. Sunsets 6/30/2026. (SD2)

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