



# Ke Ala Hou

*A New Path Forward*

*Ke Ke'ena O Ke Kia'aina | Office of the Governor • January 2025*

## GOVERNOR'S MESSAGE



Governor Josh Green, M.D.

Happy New Year! December marked two years since I had the honor of stepping into the role of Governor, and my heart is overflowing with gratitude for the opportunity to serve the people of Hawai'i. Together, we have been working to address some of Hawai'i's most pressing challenges – from recovering from the Maui wildfires to addressing the high cost of living – showcasing the community's immense strength and spirit.

Over these two years, we have prioritized building affordable housing, lowering the cost of living, expanding health care access and investing in sustainable energy and our education system. Each of these initiatives aims to create a stronger and more resilient Hawai'i, ensuring that our keiki can thrive and call this beautiful place home for generations to come. None of this would have been possible without my administration's team of action-oriented leaders or our partners in the legislature who are committed to turning our vision into tangible progress for our state.

As we look ahead, I am excited to reconvene with our colleagues in the Hawai'i State Legislature to collaborate on proposals that will continue to tackle the most pressing issues facing our communities.

Mahalo to all of you for your trust and partnership on this journey. Here's to continuing to build a brighter future for our island home together.

Best regards,

*Josh Green M.D.*

**2,451**

affordable units to be completed by the end of 2024

The largest income tax cut in Hawai'i's history was signed into law, reducing income tax payments by

**71%** by 2031

**17**

kauhale completed to date

Nearly

**5,000**

units have benefited from exemptions from the Emergency Proclamation relating to affordable housing



**Celebrating  
A Year of  
Progress**

**554**

total people assisted with their loans from the Hawai'i Education Loan Repayment Program (HELP)

**79**

of the 554 people were able to pay off their loans completely

**7,796**

displaced Maui residents housed



*Ke Ala Hou intends to elevate, recognize, and celebrate the hard work done by our state departments. Our goal is to share top achievements from our state employees, emphasize aloha and kindness in action and demonstrate caring leadership at the state level. It is our hope that by sharing these stories, we build trust and understanding in what we do everyday in service to you.*



Scan the QR code to view our digital newsletter.



## Advancing Affordable Housing: Tackling Hawai'i's Housing Crisis

To address the severe shortage of affordable housing, the Green Administration has developed a three-point plan of action, which is starting to make a visible dent on the housing crisis. These bold strategies include:

- Building more housing units on state and county-owned lands;
- Eliminating red tape and costly impact fees that cause long delays and increases the cost of construction; and
- Investing in infrastructure to boost housing capacity.



*Governor Green and state leaders use o'o sticks at DHHL's Hale Mō'ili'ili groundbreaking.*

Many of these steps are already paying dividends. Governor Green's housing team has identified more than 46,000 affordable housing units in various states of the development pipeline that are expected to be completed in the next decade. That includes more than 10,000 units that will be completed by next year.

Over the past 18 months, nearly 5,000 affordable housing units have benefited from exemptions under the Emergency Proclamation (EP) Relating to Affordable Housing. The EP saved projects \$10 million in school impact fees amid rising construction costs and higher interest rates.



*Governor Green, state leaders and partners attend a blessing for HHFDC's new affordable housing project, Iliiani.*

Governor Green's housing team recently created an Affordable Housing Pipeline Dashboard to track more than 62,000 units that are in the pipeline over the next 10 years – including more than 46,000 affordable units – across 257 projects. It is expected that 10,000 of these affordable units will come online by 2026.

Additionally, the administration is also proposing \$56 million for the redevelopment of Mayor Wright Homes, which will expand the low-income project from 364 units to 2,814 units. Nearly \$300 million will also be allocated to the Hawai'i Housing Finance and Development Corporation to fund the development of additional affordable housing projects.

## Addressing Affordability: Unprecedented Tax Reform

Supporting local families has been a mission for the Green Administration since day one. In December 2022, the Administration introduced the first phase of the Green Affordability Plan (GAP), which lowered the cost of living, doubled the earned income tax credit and food tax credit, and improved the existing child and dependent tax credit. The measure creates about \$88 million in annual savings for Hawai'i families.

The second phase of GAP was signed into law this year, introducing the largest income tax cut in Hawai'i's history for low- and middle-income families. By eliminating the lowest tax brackets in odd years and lowering tax rates in even years, the administration aims to reduce income tax payments by 71% by 2031. This means that a family of four with a median income of \$88,000 will see an additional \$3,613 in take-home pay by the end of the decade.



*Governor Green signs HB 2404, the largest income tax cut in history.*

Cutting taxes and providing ways for people to keep more money in their paychecks will contribute to Hawai'i's economy and helps ease some of the pressure on our families' pocketbooks. There are still too many local families who are moving away, the state of Hawai'i must reduce the cost of housing, food and health care to make Hawai'i more affordable for our people.





## Homelessness: Housing is Health Care

The Green administration is making significant strides in addressing homelessness through community-focused solutions like *kauhale*. As of December 2024, the Statewide Office on Homelessness and Housing Solutions has opened 17 *kauhale* projects that provide more than just shelter but also a pathway to health and stability for its residents.

These *kauhale* create safe, dignified living environments that directly contribute to improved health outcomes. Stable housing can reduce emergency room care costs for homeless individuals by up to 73%, depending on the severity of a patient's illness, underscoring the critical connection between housing and health care.

Housing is health care, and by investing in these communities, we empower individuals to improve their health, pursue opportunities to better their lives and contribute positively to society. Together, we can redefine the approach to homelessness, focusing on sustainable solutions that prioritize the dignity and well-being of all.



**Top right:** Governor Green, Mayor Blangiardi and other government leaders participate in the blessing of the Iwilei Resource Center.

**Bottom right:** Governor Green talks to a resident at the Kauhale Health Medical Respite.

**Bottom left:** From left to right: HomeAid Executive Director Kimo Carvalho, Governor's Coordinator on Homelessness and Housing Solutions, John Mizuno, *kauhale* resident Laura Mae Duclayan, Governor Green, Hawai'i Health and Harm Reduction Center Executive Director Heather Lusk and Kahu Kordell Kekoa pose for a photo at the Ho'okahi Leo *kauhale* in Kalihi.

## Maui Wildfire Recovery

As we continue to recover from the Maui wildfires, the Green Administration remains committed to supporting Maui as they rebuild. This year, we have made significant progress in our long-term recovery efforts.

A historic \$4 billion settlement was announced in August to compensate those affected by the Maui wildfires. This settlement will provide relief to approximately 2,200 families and businesses, ensuring that the resources go directly to those who need it most.

Additionally, the administration is committed to providing more housing solutions for wildfire survivors. The state, FEMA, Maui County, and its private sector partners are forecast to deliver more than 6,800 temporary housing units for displaced families. Projects like Ka La'i Ola and Hale 'O Lā'ie welcomed the first groups of families this year. In addition to the temporary housing projects, Kapalua Village – led by Uniqlo's founder and CEO Tadashi Yanai – became the first transitional housing project to be fully completed.

The Office of Wellness and Resilience (OWR) has also been on the ground to provide critical mental health services and resources from a trauma-informed space.

Thank you to all our partners for your dedication and support. While there is more work to be done, together, we will rebuild Maui stronger and more resilient than ever.





## Health Care: Improving Access and Supporting Providers



Governor Green talks to health care workers at a bill signing.

The Hawai'i Healthcare Educational Loan Repayment Program (HELP) continues to offer critical support to our health care workforce, repaying student loans for doctors, nurses and social workers. This \$15 million program has already provided scholarships to 1,200 individuals, with plans for 900 more in the next two years. The program has been further strengthened with a \$5 million contribution from Salesforce co-founder Marc Benioff. In exchange for two years of service in Hawai'i, health care professionals in dozens of specialties can qualify for loan repayments capped at \$50,000.

In addition, to the HELP program, Governor Green also signed into law a senate bill (SB1035, now Act 047) which exempts certain medical services from the general excise tax (GET). This legislation will provide relief to the healthcare system by specifically exempting hospitals, infirmaries, medical clinics, health care facilities, pharmacies and medical and dental providers from GET on goods or services that are reimbursed through Medicaid, Medicare or TRICARE.

Act 047 is viewed a potential solution to the state's shortage of nearly 800 physicians. The legislation received endorsements from more than 155 health care professionals and a survey of physicians at the John A. Burns School of Medicine found that eliminating the GET on medical services could be an effective means of recruiting and maintaining more physicians.



## Building a Climate-Resilient Hawai'i

Looking toward the future, we are committed to addressing the challenges posed by climate change. The newly formed Climate Action Team (CAT) brings together the very best climate science experts, business and financial experts and legal professionals to provide a comprehensive roadmap for the state's strategy to mitigate climate risks. The CAT will play a critical role in updating and advancing Hawai'i's long-term Climate Action Plan.

The administration has also been working on proposing the "Green Fee" to the legislature. The initiative will require visitors to pay a fee help fund climate resilience initiatives. These funds will support efforts to preserve and protect our environment and promote clean energy solutions. As a result, these efforts will help build a more resilient, sustainable Hawai'i for our future generations.



### Governor Green's Budget Proposal

The Budget in Brief with the Executive Biennium Budget for Fiscal Biennium 2025-27 is publicly available. This budget places a high priority on housing, infrastructure and addressing homelessness. To learn more, visit <https://budget.hawaii.gov/wp-content/uploads/2024/12/FB-25-27-BIB-12-13-24.7Lt.pdf>



Ke Ala Hou is a monthly publication of the Office of Governor Josh Green, M.D.

We invite you to stay connected with us!



808-586-0034



@govjoshgreen



gov.communications



@govjoshgreen



@hawaii.gov  
governor.hawaii.gov



@govjoshgreenmd

