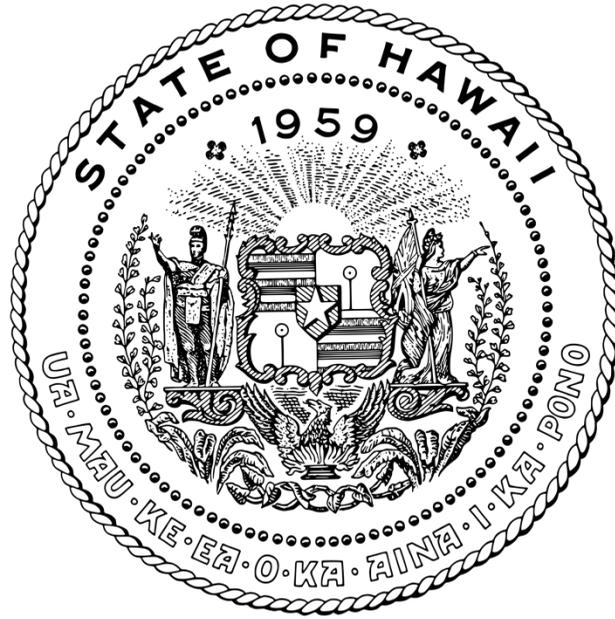


*THE HAWAI'I
WE DESERVE*





THE HAWAI'I WE DESERVE

Problem Solving and Progress in Hawai'i

The 2024 Policy Briefing Report to Hawai'i's People

2024 State of Hawai'i Policy Booklet: *The Hawai'i We Deserve*

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Governor Josh Green, M.D.

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“We reserve the right to control our destiny, to nurture the integrity of our people and culture, and to preserve the quality of life that we desire.

We reaffirm our belief in a government of the people, by the people and for the people, and with an understanding and compassionate heart toward all the peoples of the earth.”

Preamble to the Hawai‘i State Constitution



THE HAWAI'I WE DESERVE IS A PACIFIC HAWAI'I

A Foreword by Suzanne Puanani Vares-Lum *East-West Center President*

In a speech at the East-West Center on Pearl Harbor Day in 1975, less than two years after America's withdrawal from Vietnam, then-President Gerald Ford unveiled what he called "a new Pacific Doctrine," centered on supporting peace and prosperity throughout the Indo-Pacific region. "Here in the Pacific crossroads of Hawai'i, we envision hope for a wider community," the president declared. "We see the promise of a unique republic which includes all the world's races. No other country has been so truly a free, multiracial society. Hawai'i is a splendid example, a splendid showcase of America that exemplifies our destiny as a Pacific nation."

Nearly 50 years after President Ford's remarks, Hawai'i remains our nation's Pacific vanguard. We celebrate the importance of international collaboration to Hawai'i's prosperity, such as the Thirteenth Festival of the Pacific (FestPac) this coming June, when the state will host several thousand Pacific artists, performers, and cultural practitioners convening to celebrate the theme of Ho'olu Lāhui: Regenerating Oceania. As an ex-officio member of the East-West Center's Board of Governors who also has the authority to appoint a third of our board's voting members, Governor Green works closely with the Center's leadership in helping to fulfill Hawai'i's special role in the region.

At a time when people across Hawai'i are looking for direction concerning our state's future, *The Hawai'i We Deserve* provides a vital roadmap of Gov. Green's approach to key policy proposals for the future. Its eight chapters delve into policies designed to address the state's most complex problems, such as homelessness, health care, and the cost of living, with special emphasis on the state's support for Maui and positioning recovery plans in the context of the global climate crisis. While clear and concise enough to be accessible to any curious citizen, it provides enough detail to engage policy specialists.

The Hawai'i We Deserve highlights the state's role as a natural regional leader in the Indo-Pacific, as envisioned by formative state leaders like former Gov. George Ariyoshi and the late Gov. John Burns and Sen. Daniel K. Inouye, all of whom also played central roles in the East-West Center's development and saw our institution as an integral element of Hawai'i's international presence. The Center remains proud to act as a bridge to the Indo-Pacific for our nation and our state, and for us *The Hawai'i We Deserve* represents an exciting vision of Hawai'i as an innovative policy leader in the region.

The stewardship, cooperation, and diligence needed to turn the vision in these pages into reality will not be easy, but our sacred responsibility to future generations requires us to act with purpose now. So in the spirit of the core Hawaiian value of laulima, let's get to work together today to secure The Hawai'i We Deserve!



THE HAWAI‘I WE DESERVE

Governor Josh Green, M.D.

*What is **The Hawai‘i We Deserve**?* This is a critical question we ask ourselves—and one that requires thoughtful reflection.

Here we can begin to provide answers.

The Hawai‘i We Deserve is:

- A place where our children can grow up and thrive, have families of their own, and find abundant educational and economic opportunities.
- A center of innovation and progress in the Pacific, contributing to and enriching the global community.
- A place where our keiki and kūpuna are cared for, our communities and institutions are supported, and our local culture and natural resources are respected and preserved.
- A place where local families can always call home.
- A place where we value tolerance and mutual respect regardless of race or religion, age, sex, political affiliation, or socioeconomic status.

Our vision for Hawai‘i encompasses all these things and more.

But how do we collectively reach *The Hawai‘i We Deserve*?

Through decades of commitment, shared values, and hard work, today Hawai‘i is filled with aloha, beautiful scenery, some of the most welcoming people on earth, and our unique spirit of aloha.

We want people from around the world to visit Hawai‘i and experience this beauty and spirit for themselves.

However, Hawai‘i struggles with chronic, fundamental challenges that are not necessarily unique to Hawai‘i, but which impact the full potential of our state and most importantly, the well-being of our people.

We live in a rapidly changing world, and in many ways, Hawai‘i is still adapting to the challenges of the 21st century. Many residents feel that our state has lost the momentum and energy generated by the hard work of the past—and with it, our hope for a better future.

Some feel that our once close-knit communities are drifting apart.

Mounting economic challenges in the new millennium have forced many to leave our state—as many as 15,000 each year.¹

Too many of these are people who were born in Hawai‘i and grew up here have struggled to find

¹ <https://dbedt.hawaii.gov/blog/23-24/>

economic opportunity and the hope for a better life in their home state.

To me this is unacceptable and must change.

The past year has also presented new and unexpected challenges.

The disastrous fires of August 8, 2023, claimed 101 lives on Maui in a single tragic day, and left thousands more homeless.

Maui's recovery is far from complete, and the survivors have ongoing and immense needs that we are continuing to meet.

To truly realize *The Hawai'i We Deserve*, we must continue to address these challenges, push for change, and keep making real progress in our state.

What does change and progress mean for the people of Hawai'i?

Fundamentally, this means taking action based on our shared values. It's not enough to simply debate ideas, delay over minor details, and stall initiatives—we need to tackle our challenges head-on. It means asking more from our leaders and institutions—to push for solutions, take action, and move Hawai'i forward.

It's been one year since our administration took office. Our mission from the beginning has been to tackle our state's largest challenges head-on with big ideas and bold, innovative solutions.

With this approach, in the first year we have taken decisive action to address housing and homelessness; provided tax relief for working people; protected abortion rights; strengthened our healthcare workers and educators; and supported Maui's recovery.

However, the results we have seen in our first year are just the start. At this critical moment in our state's history—still early in the 21st century—we must continue to press forward every day with our vision for *Hawai'i*.

This is the time for optimism, hard work, collaboration, and even greater progress.

The people of Hawai'i will not stand on the sidelines waiting for issues to be resolved. We will take action, lend a hand, support each other, and solve problems together. That is the spirit that has always moved our state forward in the past and allowed us to overcome enormous challenges like recovering from the Maui fires.

Our team will continue to work hard every day toward building *The Hawai'i We Deserve*, with the same energy and passion we've shown over the last year.

We ask you to join us in our mission: continue to be involved in your community, support actions that unify, heal, and make positive change in **our state**, and ask more of our leaders and our institutions.

In the end, we are all responsible for building *The Hawai'i We Deserve*.

It is up to all of us, the people of Hawai'i, to expect progress, demand action, and hold our leaders accountable.

It is up to us—with our shared values, our commitment to each other, and our hope for a better future—to build it every day.

Mahalo,

Josh Green M.D.

Governor Josh Green, M.D.





PART I
Problem Solving and Progress in
The Hawai'i We Deserve

Chapter One

A CHRONICALLY HIGH COST OF LIVING

Steps to Responsibly Lower Tax Burdens on Hawai'i's People

For years, Hawai'i has faced an affordability crisis. A gallon of gasoline in Hawai'i costs nearly twice as much as it does in Texas.² The average monthly rent here is about \$400 higher than in California.³ For the price of one gallon of milk in Hawai'i, you can buy two in Nevada.⁴

Post-COVID-19 supply chain disruptions and inflationary pressures have only made it more difficult for Hawai'i families. Prices are rising while incomes are falling.

According to the U.S. Bureau of Economic Analysis, real personal consumption expenditures in Hawai'i increased by 4.7% last year while personal incomes dropped by 4.7%.⁵ Affordable housing remains a key issue in Hawai'i. Home prices continue to rise, with the average median home priced at \$1 million in Honolulu.⁶

The Green Administration is committed to tackling our affordability crisis. This includes building more affordable housing units, cutting taxes on essentials such as food, and providing further tax relief to help residents combat inflation.



Governor Green poses with members of the House, including Speaker Scott Saiki, following the signing of the budget bill, which includes phase I of the Green Affordability Plan (6/30/23)

² <https://gasprices.aaa.com/state-gas-price-averages/>

³ <https://www.forbes.com/advisor/mortgages/average-rent-by-state/>

⁴ <https://www.zippia.com/advice/gallon-of-milk-costs-each-state/>

⁵ https://www.bls.gov/regions/west/news-release/consumerpriceindex_honolulu.htm#table1

⁶ On O'ahu, the single-family home price reached \$1.1 million in 2022. For the single-family home price, see Honolulu Board of Realtors.

<https://www.hicentral.com/oahu-historical-data.php>

PHASE ONE OF THE GAP PLAN

In December 2022, the Green Administration proposed the Green Affordability Plan (GAP). The Legislature passed the first phase of GAP through Act 163, SLH 2023 on June 30, 2023, which applies to taxable years beginning after December 31, 2022, and is set to expire on December 31, 2027.⁷

By allowing parents and/or caregivers to stay or return to the workforce instead of choosing to stay home to provide care, this historic legislation provides the following tangible benefits to Hawai'i families:

- Amends the household and dependent care services credit by increasing the cap on employment-related expenses that may be used to claim the credit.
 - from \$2,400 to \$10,000 for one qualifying individual and
 - from \$4,800 to \$20,000 for two or more qualifying individuals.
- Amends the Earned Income Tax Credit (EITC) by increasing the amount of the credit from 20% to 40% of the federal EITC. This doubles the refundable credit for most working parents and puts cash back into their pockets.
- Gives money back to residents to deal with the high cost of food by amending the refundable food/excise tax credit, doubling the amount of credit per qualified exemption, and increasing the adjusted gross income limits by \$10,000 in all income brackets.

This once-in-a-generation effort will lower the cost of living by (1) doubling the earned income tax credit and the food tax credit and (2) improving the existing child and dependent tax credit.

<i>Projected Tax Relief for Hawai'i Families (By Fiscal Year)</i>	
Fiscal Year	Savings
2024	\$89.2 Million
2025	\$88.0 Million
2026	\$87.6 Million
2027	\$87.7 Million
2028	\$88.2 Million

Phase Two: Inflationary Relief and Support for Families

Hawai'i residents face one of the highest tax burdens of any state in the U.S. Among all states (and

⁷https://www.capitol.hawaii.gov/session/archives/measure_indiv_Archives.aspx?billtype=HB&billnumber=954&year=2023

the District of Columbia) with an income tax, Hawai'i has the second-highest tax burden in the country. Oregon, the state with the highest income tax, does not have a sales tax.⁸

To address the impact of Hawai'i's high tax burden on working families, the Green Administration has identified two areas of opportunity for tax reform that would have an immediate, positive impact.

Due to inflationary pressures, more than 90,000 residents have been pushed into a higher tax bracket in the last five years. As a result, individuals and families with incomes that are rising to meet the increased cost of living are facing higher tax liabilities and eroding purchasing power. This amounts to a *de facto* tax increase without the approval of either the taxpaying resident or the elected lawmaker. Without a tax system that indexes for such pressures, residents face rising cost burdens.

With the opening of the 2024 Legislative Session, the Green Administration has launched **Phase Two** of the Green Affordability Plan, known also as GAP II. (SEE [HB2404](#) & [SB3093](#)). The Governor's GAP II agenda focuses on working families who are struggling, especially families in the ALICE category.



Participants of Punahou School's Clarence T.C. Ching PUEO program visit the Governor's office (7/12/23)

GAP II proposes to index individual income tax in the state's tax code for inflation and to expand relief for child and dependent care; both measures are among the most direct ways to simultaneously

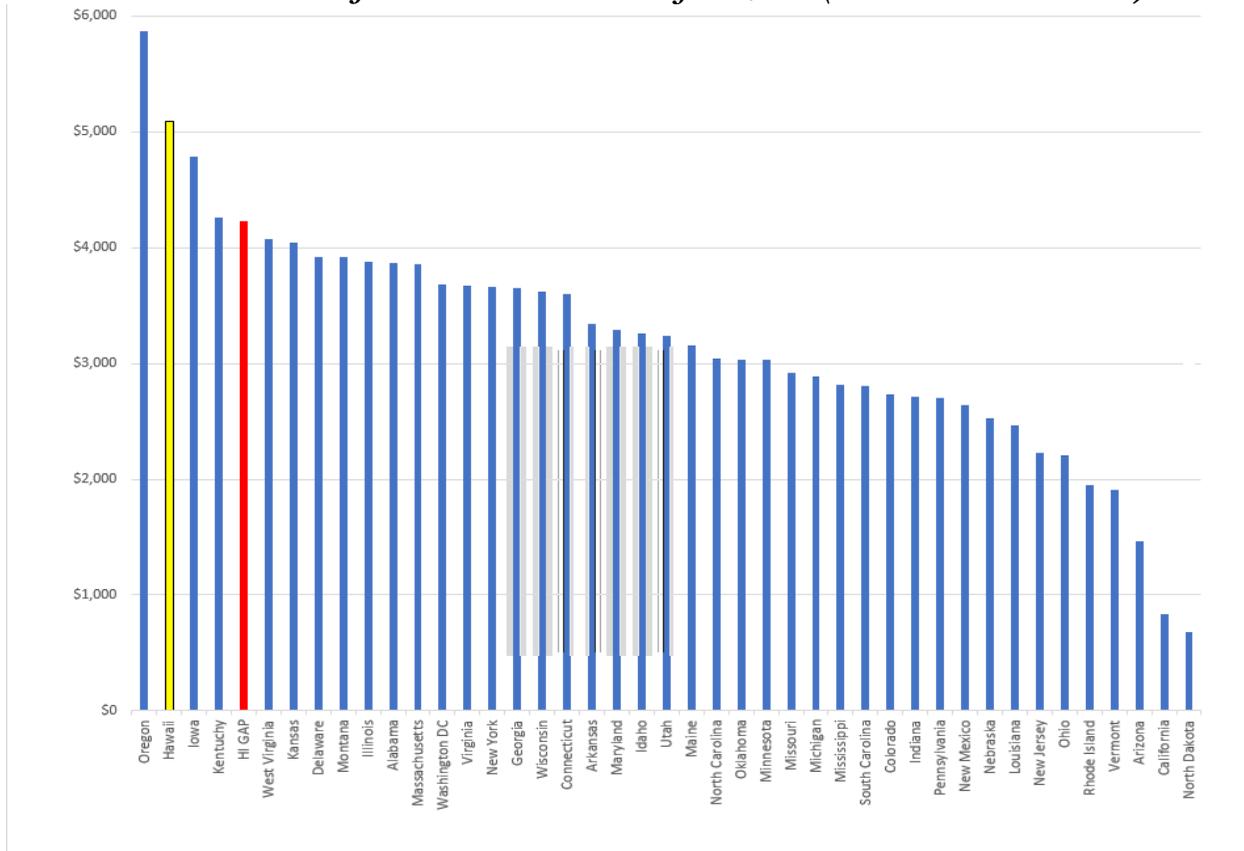
⁸ See Seth Colby's (Tax Research and Planning Officer) analysis here: <https://tax.hawaii.gov/blog/blog14-comparing-hawaii-income-taxes/>

Comparing tax systems, writes Seth Colby of the State Department of Taxation, "is not a straight-forward exercise as several factors influence burden like marginal tax rates, standard deduction, personal exemption, and income-based tax credits."

provide direct support to residents and stem the impacts of inflation.

- Indexing Inflation:** Hawai'i is one of the only states in the country that does not index income brackets with inflation. This means that households are subjected to an implicit tax increase due to inflation. The present system requires that households pay more in individual income taxes even though the purchasing power remains the same—or even declines. Indexing major components of Hawai'i's individual income tax code to a Cost-of-Living Adjustment (COLA) factor will address the impacts of inflation that the current tax system imposes, which disproportionately impacts working families and ALICE households.
- Child and Dependent Care Tax Credit:** The proposal significantly increases the amount of this refundable tax credit for working parents by up to \$7,000, one of the most generous nationwide. This would raise the amount of the credit from 15% to 50% of eligible child and dependent care expenses. This proposal will increase employment as many more residents could now qualify for child and dependent expenses through this tax credit and consider more child and dependent care options. This change ensures that the full size of the Child and Dependent Care Tax credit proposed by the Governor in 2023 becomes law in 2024.

The Impact of GAP Phase 1: Tax Liability by State for the Average Families of Four with an Adjusted Gross Income of \$88,000 (in 2022 U.S. Dollars)



The Hawai'i We Deserve is a livable place for Hawai'i's families. Without factoring any tax credits, the median family of four will save approximately \$900 a year thanks to the implementation of GAP Phase I. GAP Phase II will further reduce the financial burdens for local families. (SOURCE: [Department of Taxation](#))

Conclusion: Tax Relief Under Governor Green

In the 2024 Legislative Session, we must move forward with this next phase of the Green Affordability Plan to further relieve the tax burden on Hawai'i families. Phase II of GAP provides more tax relief so that working families with keiki can afford to live in Hawai'i and our next generation can have a future here. The state of Hawai'i must reduce the cost of housing, food, and healthcare, and make Hawai'i more affordable for our people. There are still too many local families who are moving to the mainland seeking more affordable housing and a lower cost of living. The indexation of the state's tax code will provide all taxpayers relief from inflation — a long-overdue change which will help people in every tax bracket.

Chapter Two HOUSING

Reducing Costs and Increasing Inventory

Housing is a major challenge in Hawai‘i—a barrier that pushes families out of the state, constrains Hawai‘i’s economic growth, hampers the demographic health of every county, and jeopardizes the long-term viability of the islands.

For decades, Hawai‘i has suffered from a severe shortage of affordable housing due to steep infrastructure costs, high land and labor costs, and the most restrictive housing regulations in the country.² These factors fuel a chronic housing crisis, where the state has the highest home prices in the nation. Studies show that the state needs to build more than 50,000 new housing units by 2025 to meet growing demand but it is on pace to deliver less than a quarter of that.

The Green Administration has developed a three-point plan of action to address our chronic housing crisis.



Governor Green, Maui County Mayor Richard Bissen and other community leaders break ground on the Hale O Pi‘ikea project, a new 223-unit affordable rental housing development in Maui (11/9/23)

The State of Hawai‘i and the Housing Crisis

The first comprehensive response by the state of Hawai‘i to the housing crisis was in 1970 with the enactment of Act 105, Session Laws of Hawai‘i (SLH 1970). Since then, dozens of housing studies have identified the causes of the state’s housing crisis. Act 105 SLH 1970 found that between 1961 to 1970, the state produced an average of about 10,000 new units per year. From 2012 to 2022, Hawai‘i only produced about 4,000 units per year on average, while reports showed that the state needed to build 10,000 units a year to address the housing shortfall.

Causes: High costs to develop units; building delays; inefficient management of land and housing inventories; and a limited supply of building materials have all contributed to the housing crisis.

The housing crisis is fueling a “brain drain” in Hawai‘i. On January 2, 2024, state of Hawai‘i Chief

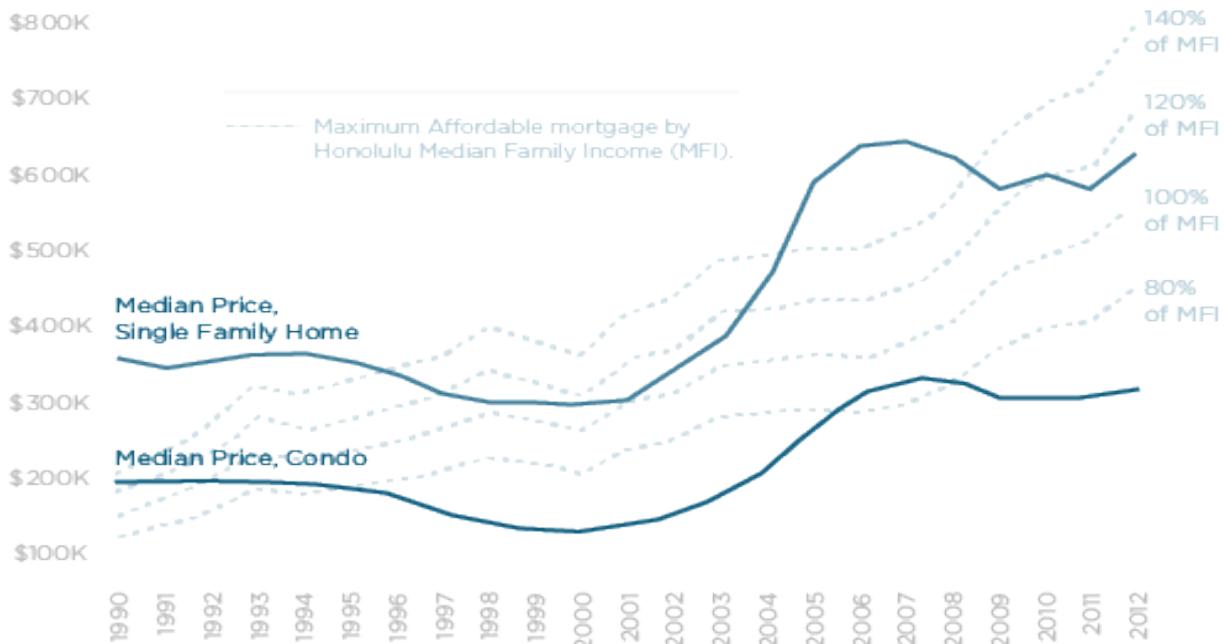
Economist, Dr. Eugene Tian reported data to the Senate Committee on Ways and Means showing that Hawai'i had lost a net total of 18,000 residents from 2019 to 2022—about 20 people every day.

In 2023, Hawai'i lost an additional 4,000 residents, bringing the net loss to a total of 22,000 residents since 2019.⁹— people who lived, worked, and contributed to the Hawai'i's economy and society.

The exodus corresponds to a dark milestone in Hawai'i's history for the state's indigenous people. For the first time since a government census was conducted in 1850 under King Kamehameha III, a majority of the world's Native Hawaiian population lives outside the Hawaiian Islands.

Hawai'i's high cost of living, which is driven primarily by Hawai'i's chronic shortage of affordable housing, is over time eroding Hawai'i's identity and its culture.

Median Price and Affordable Mortgage



*UHERO calculates the Affordable Mortgage as the maximum mortgage a household earning the HUD Median Family Income for Oahu could afford after a 20% down payment and assuming the household spends no more than 30% of its monthly income on the mortgage.

(Source: [UHERO](#); [Hawai'i Business News](#))

Problem Solving: A Three-Tiered Approach

Hawai'i can remedy this affordable housing crisis by 1) Building more housing units, 2) Investing in infrastructure, and 3) Strengthening coordination through the Building Beyond Barriers Working Group (BBBWG).

I. Building More Units

Hawai'i Public Housing Authority

The Hawai'i Public Housing Authority must have the support it needs to renovate and expand its housing inventory.

⁹ https://www.capitol.hawaii.gov/sessions/session2024/testimony/Info_Testimony_WAM_01-02-24_ECONOMIST.pdf

The state announced its Ka Lei Momi Redevelopment Project in July 2023, calling for construction of more than 10,000 additional units across nine HPHA properties, making it the largest public housing expansion in the nation.¹⁰ This project aims to transform existing low-density public housing properties into modern, mixed-income, and transit-oriented communities.



Governor Green, City and County of Honolulu Mayor Rick Blangiardi, Hawai'i Public Housing Authority (HPHA) Executive Director Hakim Ouansafi, and other community leaders break ground on an affordable housing complex for senior citizens on School Street (1/12/24)

Helping Hawai'i's Homeless while Mitigating Impacts to Communities

Of the 10,000 additional units that will be created under the Ka Lei Momi Redevelopment Project, 90% will serve households making at or below 120% Area Median Income (AMI). These housing projects will add affordable units in high-need areas to increase opportunities for low- and middle-income residents and invest in underserved communities.

The 10-year, \$6.6 billion redevelopment will include:

- **2,450** units to the current 364-unit Mayor Wright Homes project;
- **2,170** units to the current 260-unit Pu'uwai Momi project;
- **1,550** units to the current 152-unit Ka'ahumanu Homes project;
- **3,000** units to the current 221-unit Kamehameha Homes project;
- **700** units to the current 36-unit Hale Laulima project;

¹⁰ <https://governor.hawaii.gov/newsroom/news-release-the-hawai%CA%BBi-public-housing-authority-announces-master-developer-to-create-more-than-10000-affordable-rental-units/>

- **500** units to the current 36-unit Nānākuli Homes project;
- **200** units to the current 82-unit Kahekili Terrace project; and
- **110** units to the current 36-unit Kapa‘a project.

To support HPHA’s work, the administration has proposed the creation of a Housing Policy and Program Coordinator within the critically understaffed HPHA’s office (See [SB3120](#) and [HB2431](#)). The coordinator will assist the HPHA Executive Director in the day-to-day policy discussions that come with planning for affordable housing construction.

But the affordable housing crisis extends far beyond low-income families who typically qualify for subsidized public housing. It also greatly affects Hawai‘i’s middle-class residents. A large segment of the population earns too much to qualify for traditional public housing programs that serve our lowest-income populations. This segment includes nurses, teachers, and firefighters—many of whom have left Hawai‘i due to a lack of affordable housing.

Hawaiian Home Lands and Housing for Native Hawaiians

Through the historic Waitlist Reduction Act of 2022, the Hawai‘i Legislature appropriated \$600 million to the Department of Hawaiian Home Lands (DHHL) to address the decades-long waitlist for Hawaiian homesteads. With approximately 40,000 applicants on the DHHL waitlist, present efforts may result in the removal of 11,000 persons from the waitlist, but DHHL projects that further appropriations may be needed to remove the remaining 29,000 applicants.¹¹

Native Hawaiians currently suffer disproportionately when it comes to housing burdens and face compounding barriers to accessing affordable housing. Nearly half of the households on the DHHL waitlist are cost-burdened, meaning they pay more than 30% of their monthly income on housing. Additionally, 40% of Native Hawaiians on the waitlist reported living in overcrowded homes.

Funds appropriated by Act 279, SLH 2022 will be used to immediately unlock over **3,700** new residential, pastoral, and agricultural lots which will reduce the DHHL’s waitlist. Projects include:

- **608** lots on Hawai‘i Island through the La‘i‘ōpua Villages, the Honomū project, and the Kaūmana project;
- **75** lots on Lāna‘i through the Lāna‘i Residence Lots;
- **36** lots on Moloka‘i through the Ho‘olehua Scattered Lots and the Nā‘iwa Subdivision;
- **965** lots on Maui through the Pu‘unani Homestead Subdivision, the Leiali‘i Subdivision, the Honokōwai Subsistence project, the Wailuku project, and the Waiehu project;
- **1,825** lots on O‘ahu through the Kaupea, East Kapolei, Mā‘ili, ‘Ewa Beach, ‘Ewa Villages Pilina Homes, and Waialua Mill Camp projects; and
- **197** lots on Kaua‘i through the Hanapēpē Residence lots and the Anahola Kuleana project.

Support for Educational Housing

¹¹ The position of the Department of Hawaiian Homelands was articulated in a briefing to the Senate Committee on Ways and Means on January 9, 2024. See briefing materials here: https://www.capitol.hawaii.gov/sessions/session2024/testimony/Info_Testimony_WAM-HWN_01-09-24_HHL.pdf

To address Hawai'i's loss of teachers due to high housing costs, Governor Green signed Act 172, SLH 2023 into law in July 2023. Act 172 authorizes the School Facilities Authority to partner with public and private agencies to develop housing on- or off-campus for teachers, other educators, and staff, and to develop classrooms.



At the Royal Elementary School library, Governor Green signs Act 172, SLH 2023, a measure to invest in teacher housing (7/3/23)

The Hawai'i Housing Finance Development Corporation also made long-term investments in the Rental Housing Revolving Fund (RHRF), which provides "Equity Gap" low-interest loans to qualified owners and non-profit and for-profit developers that build affordable housing units. The Schools Facilities Authority has identified several Department of Education sites for teacher housing, including land at Nānākuli High School and Intermediate School and at Mililani and Waipahu High Schools.

II. Investing in Infrastructure

Numerous studies identify the lack of infrastructure as the number one obstacle to building affordable housing. Tens of millions of dollars in sewer, water, electrical, and road upgrades will be needed to serve the growing housing demands and remove the barriers to the construction of new affordable housing.

Currently, infrastructure improvements are financed by private developers or by state and county capital improvement programs. The state Office of Planning and Sustainable Development recently concluded that creating new funding mechanisms such as a Community Facilities District or a Statewide Infrastructure Bank—which could issue bonds, loans, or grants—could unlock the development of at least 10,800 new affordable housing units in four key neighborhoods statewide over the next several decades.



Kali Watson, Director of the Department of Hawaiian Home Lands, speaks at a press conference on emergency housing (7/7/23)

Those districts include:

- **Iwilei, O‘ahu**, which could see the development of 8,600 units in the short term and another 18,000 units over the next 30 to 50 years;
- **Lihu‘e, Kaua‘i**, where \$8 million in new wastewater improvements could unlock 650 new units;
- The **Wailuku-Kahului** area on **Maui**, where infrastructure upgrades could fuel the construction of 200 new affordable homes; and
- **Kailua-Kona** on **Hawai‘i Island**, where new wells, reservoirs, and road improvements could add up to 1,400 new units at the Kamakana Villages project.

III. Emergency Proclamation Relating to Housing

To address long delays in approval processes for new affordable housing projects, Governor Green signed the first Emergency Proclamation Relating to Housing on July 17, 2023, and a second one focused primarily on affordable housing on September 15, 2023, which was renewed on October 24,

2023. The proclamations encompassed a five-part strategy:

1. Expand the affordable housing inventory;
2. Maintain existing affordable units;
3. Offer more housing units to local residents;
4. Coordinate and modernize Hawai'i's development process; and
5. Communicate the urgency of the housing crisis.

The first proclamation established the BBB Working Group (BBBWG), which has been placed in HHFDC and brings together members from key state and county agencies involved in housing development, community stakeholders, and subject area experts to identify where projects delayed and to seek solutions to expedite the development of affordable housing.

The proclamations also addressed critical barriers to expanding affordable housing options by:

- Prioritizing affordable housing development projects where new additional units will serve primarily those at or below 140% of the AMI;
- Allowing more flexibility in zoning and other county-level building requirements to prioritize adaptive reuse and mixed-use communities;
- Amending processes under Section 201H-38, Hawai'i Revised Statutes (HRS), relating to expedited processes for state affordable housing development to shorten approval times;
- Expediting procurement, which adds costly delays to state and county projects; and
- Allowing more flexibility for hiring critical staff in agencies or contractors to implement and regulate the housing development process to fill more than 300 identified vacancies.

By February 2024, the work of the BBBWG had concluded. The Governor's Proclamation Relating to Affordable Housing was a bold, innovative approach to overcoming barriers to building more affordable housing.

The Green Administration continues to seek opportunities to shorten development timelines that reduce total housing costs. The Governor's Housing Team tracks projects seeking certification through key metrics to assess how regulatory and administrative changes do or do not contribute to the expedited development of new affordable housing units. These actions will inform future legislation that codifies regulatory and administrative reform.

CONCLUSION

The security, health, and prosperity of Hawai'i's communities are built on a strong foundation of affordable housing. Through the Emergency Proclamation on Affordable Housing, the Green Administration is working to unlock thousands of affordable housing units and Native Hawaiian homesteads across our state.



Chapter Three

HOMELESSNESS

Caring for Our Neighbors, Communities, and Institutions

One of the most complex issues in our state is the increasing number of people experiencing homelessness. Hawai'i experiences the fourth-highest per capita homelessness rate in the country.¹² The Green Administration is pursuing multiple approaches to reduce homelessness, including prevention, outreach, transitional services, and long-term housing solutions.

While data on this issue is well documented and regularly recorded in our state, it is often underemployed when addressing the challenge of homelessness in Hawai'i. By first breaking down the experience of "homelessness" into sub-categories, and second, by distinguishing between the categories of people experiencing homelessness, a more holistic view of homelessness as a problem emerges, highlighting areas where we can more effectively combat the problem.

Homelessness is a "Wicked Problem"

Homelessness does not have a single cause or a single solution. Hawai'i's homeless population is comprised of a diverse group of individuals, each with their own stories, challenges, and solutions.

Some individuals are temporarily homeless. Families and individuals who are houseless may be experiencing economic distress due to unemployment or underemployment, coupled with rising housing and living costs.

Meanwhile, many chronically homeless individuals may struggle due to mental illness, physical ailment, or substance abuse. Some homeless individuals may be fully employed, but struggle with finding permanent housing they can afford.

Given this complexity, any long-term, durable strategy for homelessness must both give attention to caring for Hawai'i's most needy and consider the diversity of needs in every unique situation.

The Green Administration's goal is to reduce homelessness in Hawai'i and provide national and global leadership on its solutions. This means finding common-sense solutions to help Hawai'i's homeless compassionately and mitigating the impacts of homelessness on our communities.

A Picture of Hawai'i's Diverse Homeless Population

Reliable data allows stakeholders to better understand the homeless population in Hawai'i. This section addresses some of the insights that homelessness data can provide.

General Homelessness Data: Overall, homeless data indicates some progress in addressing the crisis. Between 2022 and 2023, there was a slight uptick in documented homelessness across the state, but there has been significant progress in reducing homelessness numbers statewide since 2015.

In 2023, a total of 6,200 unhoused were identified in Hawai'i as a part of the 2023 Point-in-Time (PIT) count, compared to 7,620 in 2015—an overall reduction of roughly 18.3%.

¹² https://www.thecentersquare.com/hawaii/article_e65da826-8b8b-561d-aed5-48c959d6c2e5.html

Hawai'i Total Homeless Population, 2015-2023

Year	Total Homeless Population – Neighbor Islands	Total Homeless Population – O‘ahu	Total Homeless Population – s Statewide
2015	2,717	4,903	7,620
2016	2,981	4,940	7,921
2017	2,261	4,959	7,220
2018	2,035	4,495	6,530
2019	1,995	4,417	6,412
2020	2,010	4,448	6,458
2021	NA	NA	NA
2022	2,022	3,951	5,973
2023	2,195	4,028	6,223
Change	-522 (-19.21%)	-875 (-17.85%)	-1,397 (-18.3%)

Source: [Bridging the Gap](#), [Partners in Care](#)

Hawai‘i’s Homeless Population: The most recent estimates for Hawai‘i’s homeless population come from the Point-in-Time (PIT) count of January 2023. PIT counts are mandated annually by the U.S. Department of Housing and Urban Development (HUD).

The Neighbor Islands: Across the counties of Maui, Hawai‘i, and Kaua‘i, results from the 2023 PIT marked a 9% increase in total one-day homelessness from 2,022 persons in 2022 to 2,195 persons in 2023. While Maui County experienced a net decrease, Hawai‘i (20% increase) and Kaua‘i (10% increase) contributed to the overall increase.

HOW DO WE DEFINE THE ‘CHRONICALLY HOMELESS’?
<p>A “chronically homeless” individual is defined as a homeless individual with a disability who lives in a place not intended for human habitation, a safe haven, or an emergency shelter—or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven or in an emergency shelter immediately before entering the institutional care facility.</p> <p>To meet the “chronically homeless” definition, the individual also must have been living as described above continuously for at least 12 months or on at least four separate occasions in the last three years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least seven nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.</p>

The causes of homelessness in our state are diverse. Reasons for falling into homelessness in Hawai‘i might include one, or a combination of the following:

- The high cost of living;
- Limited or high-cost housing;
- Loss of income or employment;
- Family disruption;
- Natural disaster;
- Medical issues;
- Mental illness;
- Drug and substance abuse, and
- Arriving in Hawai'i already homeless.

Different People Experiencing Homelessness: Similarly, there is a diversity in the types of people who experience homelessness. Distinct categories of individuals suggest diverging experiences related to homelessness based on details such as age, gender, veteran status, and whether an individual is either from Hawai'i or from out of state.

These differences can impact the effectiveness of certain policies and the availability of certain resources for everyone.

Before the pandemic, Hawai'i's largest homeless provider estimated that more than 10% of Hawai'i's homeless were from out of state.¹³



New units at the Ka Malu Ko'olau Kauhale in Kāne'ohe

¹³ <https://www.hawaiinewsnow.com/2019/02/15/ihs-homeless-people-hawaii-just-got-here-somewhere-else/>

Neighbor Islands

Year	Total Homeless Population	Veterans	Keiki
2018	2,035	125	177
2023	2,195	91	102
% Change:	+7.8%	-27.2%	-42.4%

Source: [Bridging the Gap](#)

O’ahu

Year	Total Homeless Population	Veterans	Keiki
2018	4,495	407	909
2023	4,028	261	559
% Change:	-10.3%	-35.9%	-38.5%

Source: [Partners in Care](#)

[New units at the Ka Malu Ko’olau Kauhale in Kāne’ohe |

Sub-Trends Related to Homelessness: Sub-trends for homelessness in the state demonstrate mixed results depending on the population. Data indicates effective policies are being implemented with significant progress that meet the needs of certain individuals but fail to include others. This helps to explain the frustrations that many feel over the inconsistent progress being made across the entire homeless population.

Many of Hawai’i’s homeless struggle with mental illness and addiction. Those with serious mental illness and chronic substance abuse comprise a significant proportion of Hawai’i’s population. Across the neighbor islands, Hawai’i’s homeless with such struggles have accounted for the lion’s share of the increasing population.

Year	Total Homeless Population	Serous Mental Illness	Chronic Substance Abuse
2018	2,035	528	444
2023	2,195	732	568
% Change:	+7.8%	+38.6%	+27.9%

Hawai’i Homeless Mental Health and Substance Abuse - Neighbor Islands; Source: [Bridging the Gap](#)

To calculate this figure, the Office examined the respective PIT counts conducted by the two respective CoCs in CCHNL and the neighbor islands.

Year	Total Homeless Population	Serious Mental Illness	Chronic Substance Abuse
2018	4,495	1084	820
2023	4,028	899	711
% Change:	-10.3%	-17.1%	-13.3%

Hawai'i Homeless Mental Health and Substance Abuse - O'ahu; *Source:* [Partners in Care](#)

To calculate this figure, we examined the respective PIT counts conducted by the two respective CoCs in CCHNL and the neighbor islands.

The High Cost of Homelessness to Society: Data shows that a small minority of the homeless population in Hawai'i causes a disproportionate amount of costs and social disruption.¹⁴ Typically, it is the chronically homeless that have the greatest negative impact on society and face the worst personal outcomes due to years of living on the streets. On a broad scale, the gravity of the situation post-COVID is more apparent. The chronically homeless generate one of the greatest levels of **costs incurred for resources that are paid for by the community** across Hawai'i.

Problem-Solving

A small proportion of our state's homeless population—those with a serious mental illness and those suffering from chronic substance abuse—disproportionately strain the resources assigned by the state to the housing crisis. The Governor's response to this challenge and his long-term strategy are based on a holistic approach centered on Hawai'i's social health system.

Studies show that providing housing for chronically homeless individuals not only improves healthcare outcomes but can also save the state millions in healthcare costs.

A recent report by the University of Hawai'i Center on the Family found that the average healthcare costs for a homeless person treated in the ER, in substance abuse programs, and in other healthcare settings were about \$8,162 per month.¹⁵

But six months after these individuals were placed into more permanent housing settings, their healthcare costs dropped by an average of \$6,197 per month—or about 76%—to \$1,965 per month.

¹⁴ Data sources include Hawai'i Health Matters and HHDW. For more information on the State's approach, see: <https://homelessness.hawaii.gov/main/pulama-ola-kauhale-impact-goes-beyond-respite-patients/>

¹⁵ uhfamily.hawaii.edu/sites/uhfamily.hawaii.edu/files/publications/PathwaysProjectFinalReport.pdf

Social Health



► Socioeconomic factors that can affect the health of Hawaii residents

Governor Josh Green, MD
State of Hawaii



Hawai'i's Social Health: *Hawai'i's well-being is built around a foundational triangle of (1) a living wage for our residents; (2) housing & food security; and (3) access to healthcare. The three angles of the triangle intersect through such issues as chronic poverty, loan forgiveness, harm reduction, loan forgiveness, homelessness, and the housing crisis.*

Two programs will address the housing crisis over the next year: (1) the Return-to-Home Pilot Program, and (2) the Kauhale model.

Return-to-Home Pilot Program: On June 21, 2023, Governor Green signed House Bill 1366 of the 2023 Legislative Session into law as Act 94. The legislation, which was shepherded by then-Representative John Mizuno, implements a Return-to-Home Pilot Program. Mizuno was appointed as the state of Hawai'i's Housing and Homelessness Coordinator in December 2023.¹⁶

The Kauhale Model: A kauhale provides housing units akin to “opportunity housing” or “bridge housing.” Kauhale are intended to provide an extremely affordable home for as long as a person needs it, free of time-limited expectations. Our goal is to create communities where monthly rents are approximately \$500 per household per month or 30% of a household’s income.

¹⁶https://www.capitol.hawaii.gov/session/archives/measure_indiv_Archives.aspx?billtype=HB&billnumber=1366&year=2023

WHAT ARE KAUAHALE?

The Statewide Office on Homelessness and Housing Solutions defines kauhale as “communal living spaces, with modest housing units for individual households, and shared space for cooking and eating, recreation, growing food or engaging in industrious activities together.

“Though often envisioned as prefabricated homes, or other modest, low-cost housing units, a kauhale could also be created in an existing apartment, dormitory, or office building, so long as there is communal space and an investment in building communal responsibility.”

For more information on the Kauhale model, see the Statewide Office on Homelessness and Housing Solutions for more information at: <https://homelessness.hawaii.gov/kauhale/>

PROJECTED KAUAHALE IN THE STATE OF HAWAII¹⁷

County	Project Name	New Units (Projected)
Hawai'i	Hawai'i Island Home for Recovery	50
Hawai'i	Sacred Hearts Village Phase II & III	50
Hawai'i	Hale Iki Village	0
Hawai'i	Wahi Pana O Niolopa	12
Hawai'i Total		112
Kaua'i	Kealaula Supportive Housing Ph II	0
Kaua'i	East Kaua'i Supportive Housing	0
Kaua'i Total		0
Maui	Central Maui Kauhale	200
Maui	Maui Field Shelter - Pu'uhonua O Nēnē	150
Maui	Maui Huliau Phase II	50
Maui Total		400
O'ahu	Kalihi Recovery Home	24
O'ahu	Medical Respite Kauhale	10
O'ahu	Waikiki Vista	125
O'ahu	Kauhale Hale'iwa for Youth	15
O'ahu	Middle Street Kauhale	50

¹⁷ This is a working, select list of projects in various stages of development.

O'ahu	Windward Kauhale	25
O'ahu	Pu'uhoonua O Wai'anae Phase II	50
O'ahu	Iwilei Kauhale	10
O'ahu	Pu'uhoonua O Wai'anae Phase III	200
O'ahu	Mapunapuna Kauhale	30
O'ahu	CORE Medical Respite	30
O'ahu	Pauahi Hale	80
O'ahu	Iwilei RC Crisis Hub + Housing	30
O'ahu	H4 Medical Respite	10
O'ahu	Youth Drop In Center & Housing	20
O'ahu	Medical Respite Transitional Housing	10
O'ahu	Kulia I Ka Nu'u Shelter + Housing	0
O'ahu	Nānākuli Kauhale	20
O'ahu	Hui Mahi'ai 'Āina	130
O'ahu	YWCA Fernhurst	30
O'ahu Total		899
State New Unit Total		1411

Construction costs for kauhale will vary widely depending on the design and infrastructure needs of the property. As noted, a kauhale could be created in existing buildings, as a new-build cluster of tiny homes, or in other settings. The Green Administration aims for an average capital cost of \$2.5 million for a 50-unit kauhale project that can house up to 75 people. At \$50,000 per unit, this target cost is far below the typical per-unit cost of housing development.

Conclusion: A Holistic Strategy for a Multifaceted Problem

Since the signing of the Emergency Proclamation on Homelessness on January 23, 2023, planning and construction for an estimated 20 kauhale villages has begun. Throughout 2024, the state government will distinguish the homeless population as several sub-populations, each receiving its own special attention to address its own particular challenges more effectively.

In the aftermath of COVID-19, the sub-populations of the chronically homeless and those who struggle with substance abuse require the highest level of needs. The Kauhale Model and the Return-to-Home pilot program will target these two sub-populations. Among Hawai'i's public

consciousness, these are the individuals typically conjured as ‘homeless.’ Hawai‘i must continue to invest in permanent solutions that create spaces for our people to be housed and healed.



Governor Green checks the heartbeat of a resident at the Pūlama Ola Kauhale, a medical respite kauhale, near Washington Place (7/5/23)



Chapter Four

HAWAI‘I’S ECONOMY

Generating Resilience and Fostering Opportunities

On August 8, 2023, fires fanned by hurricane-force winds swept through parts of Maui, burning more than 2,100 acres, destroying 2,200 homes, and causing \$5.5 billion in damage.

A total of 101 people were killed in what is now the worst natural disaster in the state's history. The economic toll has also been devastating.

In the initial aftermath of the disaster, more than 16,000 people on Maui filed for unemployment—not just West Maui hotel workers displaced by the fires, but also restaurant workers and employees at mom-and-pop retail stores, lunch trucks, and surf shops throughout Maui County.

To prevent the economic crisis from escalating, Governor Green announced the phased reopening of West Maui for tourism starting in October—except for historic Lahaina town and the surrounding affected areas, out of respect for the residents and due to the continuing relief efforts.

It was a difficult decision to allow hotels to re-open while many who had been impacted by the wildfires still lacked permanent housing. Some were concerned that the reopening was too soon, while many others believed that moving toward recovery was necessary. But most people felt the absolute need to get back to work so their families could survive.

Maui’s economy has subsequently rebounded in recent months, outperforming some local economists’ initially pessimistic predictions.

In January, the Hawai‘i Council on Revenues (COR), a constitutionally established group of experts who estimate the state’s revenues (and in turn determine the state budget), upgraded its forecast for the overall state economy and the state’s general fund revenue growth. The COR had previously forecast meager growth of just 1.3% in revenue for the current fiscal year but reversed course in January with a 4% growth forecast. The COR maintained this growth forecast in its March meeting.

The additional revenue means that the state will get nearly half a billion dollars more in additional tax revenue for the next 18 months, a significant amount when one factors the annual general fund budget of approximately \$10 billion for the entire state of Hawai‘i.

Due to the 2020-2022 COVID-19 pandemic and continued strength of the U.S. dollar and the weakness of the Japanese yen, eastbound travel from Japan has plunged from about 1.5 million visitors in 2019 to about 505,000 during the first 11 months of 2023. To bolster this segment of Hawai‘i’s tourism market, the Green Administration signed an agreement with Haneda Airport in Tokyo to streamline travel and promote made-in-Hawai‘i products.

In November, Governor Green—along with Director of Business, Economic Development & Tourism (DBEDT) James Kunane Tokioka and Speaker of the House Scott Saiki—met with top Japanese political and business leaders in Tokyo to revive the once-vibrant Japanese sector of Hawai‘i’s tourism industry.

The state is also actively discussing a pre-clearance program to allow travelers from Japan to save time at the Honolulu airport by completing immigration, customs, and agricultural inspections before departure.

JAPANESE SPENDING AND HAWAII'S TOURISM MARKET

Inflation in Japan: A Barrier to Tourist Spending in Hawai'i

A recent analysis by the University of Hawai'i's Economic Research Organization (UHERO) suggests that Japan's struggling economy will test Hawai'i's economic outlook.

CONSUMER PRICE INFLATION FOR JAPAN
Japan is struggling to address unfamiliar inflationary pressures.

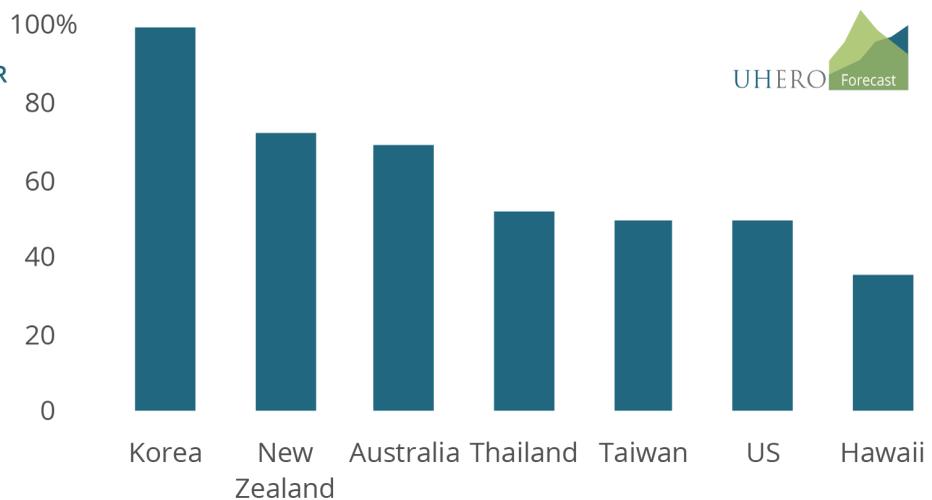


Japan's Struggling Economy: *Inflation in Japan is dissuading Japanese consumers from making major purchases, like trips to Hawai'i. The result is a falling rate of travel.*

Hawai'i's Relationship with Japan: Bolstering Needed for the Future

JAPANESE OUTBOUND TRAVEL, PERCENT RECOVERY TO SEPTEMBER 2019 LEVEL

Hawai'i's visitor recovery lags other Japanese outbound destinations, including the US.



Slowing Travel from Japan: *Projections show that the high cost of travel continues to dissuade Japanese tourists from visiting the Hawaiian Islands. Comparatively cheaper destinations are becoming more popular.*

(SOURCE: [UHERO](#))



Japan Airlines presents the Governor with a check for Maui Wildfire Relief (11/2/23)

Preparing for Diversification

Tourism has long played the largest role in Hawai'i's economy.

The visitor industry, however, will not be the solution to Hawai'i's long-term economic challenges.

While a more diversified economy has been a goal for decades—with policymakers often proposing ways to make Hawai'i a more attractive place to do business—Hawai'i has declined as a regional economic center since the post-statehood boom years in the last century.

As a regional center in the Pacific, Hawai'i is a major travel hub with 52 non-stop destinations to and from 11 countries¹⁸, benefitting from clear structural and comparative advantages due to its strong tourism-based industry, active professional sector, and political stability.

But since the economic downturns of the 1990s, that luster has faded.¹⁹ Due to its overreliance on the visitor industry, Hawai'i has not adequately fostered opportunities for long-term economic growth and diversification in our islands.

The aftermath of the COVID-19 pandemic renewed calls for economic diversification.²⁰ The Green Administration has recognized several critical areas and has taken measure steps to boost Hawai'i as

¹⁸ <https://airports.hawaii.gov/hnl/flights/>

¹⁹ See Christopher Grandy's *Hawai'i Becalmed: Economic Lessons of the 1990s* at <https://muse.jhu.edu/book/8140>

²⁰ For coverage of the Hawai'i 2.0 Plan, see <https://www.civilbeat.org/2021/02/stabilizing-or-stalling-state-officials-explain-why-hawaiis-recovery-plan-will-take-2-years/>

a place of innovation and investment in several key industries, including:

- Renewable energy;
- Creative media;
- Ocean sciences;
- Broadband infrastructure; and
- International relations.



Governor Green presents a special message at the AES Hawai'i launch of the Waikoloa Solar project (5/18/23)

Renewable Energy: Launched in 2008, the Hawai'i Clean Energy Initiative aims to make Hawai'i 100% petroleum independent by the year 2045 by boosting renewable energy sources such as solar, wind, battery storage, green hydrogen, and geothermal. The wind, solar, and battery storage industries continue to make headway under state clean energy initiatives, accounting for more than 4,300 jobs in 2022.²¹

To further support these new technologies, the Green Administration is also investing in contractor training programs to provide workers with the technical expertise to support these fast-growing industries.

Meanwhile, geothermal energy—which has been producing electricity on the Big Island since the early 1990s—represents a major growth market for Hawai'i. The state is currently pursuing exploratory geothermal drilling on the Big Island, Maui, and even O'ahu to provide cheaper, reliable renewable energy sources.²²

²¹ See [energy.gov/sites/default/files/2023-06/2023 USEER States Complete.pdf](https://energy.gov/sites/default/files/2023-06/2023%20USEER%20States%20Complete.pdf)

²² See the testimony of State Energy Officer Mark Glick before State House Finance Committee: <https://www.youtube.com/watch?v=cLTkvn0VRkI>

The state is also pursuing green hydrogen opportunities through its Hawai'i Pacific Hydrogen Hub—a state- and private-sector consortium. The hub seeks to produce green hydrogen to replace diesel and other petroleum products in heavy equipment, ships, and even aircraft.

Creative media: Hawai'i's film industry currently generates more than \$400 million per year in revenues and supports more than 4,000 jobs. But so much of the post-production work is done off-island due to the lack of studio space.

The state and City and County of Honolulu are backing efforts to build a \$250 million film studio on 17 acres of long-vacant state land next to the University of Hawai'i West O'ahu.

The plan calls for the construction of multiple sound stages next to the UH West O'ahu Academy of Creative Media, creating hundreds of high-paying jobs.

Ocean Sciences: The state Natural Energy Laboratory Hawai'i Authority (NELHA), which operates the ocean science and technology park in Kailua-Kona on the Big Island, supported hundreds of jobs and generated more than \$148 million in economic activity in 2022—a 36% jump from pre-pandemic 2018.

Broadband Infrastructure: Approximately 1 in 10 residents who live in Hawai'i lack reliable access to the internet. With the support of the federal government, Hawai'i is making strategic investments to guarantee reliable and affordable access to high-speed internet.

Hawai'i is presently pursuing \$320 million in federal funding over the next five years to provide for the construction of broadband infrastructure and increase internet connectivity. According to the University of Hawai'i, the state has already received more than \$300 million in federal funding awards through such legislation as the Infrastructure Investment and Jobs Act (IIJA).

Governor Green supports the temporary assignment of the Hawai'i Broadband and Digital Equity office from DBEDT to Lieutenant Governor Sylvia Luke through [SB1317](#) and [HB1019](#).



Lieutenant Governor Sylvia Luke speaks at a meeting to discuss a \$115M investment from federal funding for broadband (4/29/23)

Hawai'i's Sister State Program: Hawai'i maintains sister-state relations with 19 provinces across nine different countries. More than half of the relations are from Japan (six) and the Philippines (five). Regional cooperation can unlock opportunities for economic engagement through technological research and educational opportunities.

Hawai'i first initiated sister-state relations in 1981 to promote cross-cultural exchanges across the Asia-Pacific region, but since then the purpose of sister-state relations has evolved to balance cultural and economic ties.²³

In July 2023, Hawai'i successfully hosted the Hawai'i-Japan Sister Summit in Waikiki where Governor Green, the county mayors, and local business leaders met with Japanese officials and executives from 22 Japanese prefectures and towns to rebuild economic relationships and pursue business deals.

In March, Hawai'i hosted the Hawai'i-Philippines Sister States & Provinces Business Symposium in cooperation with the Filipino Chamber of Commerce.

Conclusion

The launch of new Aloha Stadium proposals, high-level discussions with Japan to create an open travel corridor, and investment in the state's film industry are other areas where the state is investing attention.

While the waters may be rough as important debates over the future of Hawai'i's economic policy take shape, Hawai'i's economic outlook remains strong. In December 2023, Governor Green met with bond rating agencies that included S&P Global Ratings, Moody's Investors Service, and Fitch Ratings, to facilitate reviews of the state's credit quality. Following these presentations, all three agencies affirmed the state's strong bond ratings of AA+, Aa2, and AA, respectively, with stable outlooks.²⁴

²³ Act 168, SLH 1988 was the first piece of state legislation to set-out the management of sister-state relations. Act 101, SLH 1992 designated the creation of an Office of International Relations. The current State of Hawai'i Sister State program is administered through Hawai'i Revised Statutes Chapter 229, which was created through Act 150, SLH 2006.

²⁴ <https://governor.hawaii.gov/newsroom/office-of-the-governor-news-release-state-of-hawaii%CA%BBi-issues-750m-in-general-obligation-bonds/>



Government Transparency

Senate Bill 1493: Prohibits lobbyists from making contributions and expenditures—or promises of such—during legislative sessions (and shortly before-and-after).

House Bill 986: Enhances criminal penalties for offenses involving public corruption.

Government Tra

Senate Bill 1493: Prohib

making contributions and

ences involving pu

Chapter Five

THE FUTURE OF STATE GOVERNMENT

Tackling State Workforce Vacancies and Improving Government Efficiency

Hawai'i's state government is suffering from a severe shortage of workers. There are thousands of vacancies in critical posts like social workers, clinical psychologists, janitors and building maintenance workers, adult corrections officers, planners, accountants, librarians and librarian assistants, and general laborers.²⁵

This section addresses a compounding problem that threatens the effective and efficient administration of state government: the recruitment and retention of public workers. It has become unnecessarily difficult to pursue a career in public service. Furthermore, jobs in public service are not competitive with similar positions in the private sector.

The Problem: An Existing Shortage—and an Impending Crisis

The chronic shortage is exacerbated by an impending generational wave of retirements. Even when individuals are recruited, the state of Hawai'i struggles to retain workers due to better opportunities in the private and sometimes more competitive public sector opportunities.

A. The Vacancy Crisis

Since the state of Hawai'i mandated a thorough accounting of its workforce with the passage of Act 57 of 2019, the Department of Human Resources Development (DHRD) has carefully charted existing vacancies across state government.

Currently, more than a quarter of the state jobs in Hawai'i are vacant, which prompted Governor Green on June 29, 2023, to overhaul DHRD's responsibilities to expedite the hiring process for state workers.

TABLE: STATEWIDE POSITION AND VACANCIES

Report Date	# of Civil Service Positions in HRMS	Filled Positions	Vacant Positions*	NEOGOV Request to Fill (DHRD)
11/01/23	17,566	12,684	4,685	2,018
		73%	27%	43%
11/01/22	17,002	13,027	3,975	1,516
		77%	23%	38%
12/01/21	16,763	13,349	3,414	941
		80%	20%	28%
10/01/20	17,403	13,873	3,530	181

²⁵ See P. 5, <https://dhrd.hawaii.gov/wp-content/uploads/2023/12/Act-57-SLH-2019-Vacancy-Report-OCR-Post.pdf>

		80%	20%	5%
10/01/19	17,327	14,190	3,137	942
		82%	18%	30%
09/01/18	17,163	14,153	3,010	1,033
		82%	18%	34%

Source: Department of Human Resource Development (2024)

DHRD’s data on the state’s vacancy crisis shows that Hawai’i’s vacant position count has steadily increased from 18% to 27% of the total workforce in five years. Without a steady rate of recruitment, the vacancy crisis will be exacerbated by a steady rate of retirements. By June 30, 2028, more than 4,000 public workers will be eligible for retirement. These workers constitute nearly 30% of the state’s workforce and carry the bulk of each department’s institutional knowledge and experience.

Positions with the Greatest Vacancies

Position Title	Vacancies (2023)	Vacancies (2022)	% of Total Vacancies
Office Assistant	496	428	11.01%
Adult Corrections Officer III - VII	235	105	5.22%
Adult Corrections Officer Recruit	219	193	4.86%
Human Services Professional	180	142	4.00%
Engineer	143	110	3.17%
Eligibility Worker	121	104	2.69%
Psychiatric Technician	120	7	2.66%
Registered Nurse	113	76	2.51%
Information Technology Band A-D	108	48	2.40%
Secretary	98	88	2.18%
Janitor	85	90	1.89%
Program Specialist	83	59	1.84%
Account Clerk	80	55	1.78%
Library Assistant & Technician	77	81	1.71%
General Laborer	76	87	1.69%
Social Worker	64	48	1.42%

Social Service Aid & Assistant	62	60	1.38%
Human Resources Assistant & Technician	57	41	1.27%
Environmental Health Specialist	55	47	1.22%
Investigator	54	35	1.20%
Librarian	54	88	1.20%
Building Maintenance Helper & Worker	51	43	1.13%
Unemployment Insurance Specialist	51	54	1.13%
Accountant	47	48	1.04%
Planner	43	40	0.95%
Deputy Sheriff II - V	41	32	0.91%
Human Resources Specialist	38	40	0.84%
Child/Adult Protective Services Specialist	35	28	0.78%
Clinical Psychologist	34	31	0.75%

Source: [Department of Human Resources Development \(2024\)](#)

Problem Solving: Filling Vacancies and Increasing Retention

Hawai'i needs to reverse the net loss of public workers, especially in critical fields such as education; healthcare; housing and homelessness policy; and resilience and disaster management.

EMPLOYEE BENEFITS AND RETENTION
<p>People Don't Stay with the State: Approximately 6,600 left employment and took contributions (based on membership date after June 30, 2012, and Membership Stop Date prior to August 2023). Please note that this number includes both state and county employees. Additionally, there are approximately 1,600 non-vested (under 10 years of service) terminated employees (since March 31, 2023) who have left state or county employment and have left their funds on deposit with the ERS and who have at least 5 years of credited service. These individuals would not be eligible for the new vesting requirements unless or until their return to work.</p>
<p>State Workers with Less than 10 Years of Service: As of March 31, 2023 (date of the most recent data used for our actuarial valuation) there were 30,493 ERS members in Tier II with under 10 years of service (i.e. non-vested). There are 1,813 Tier II employees who have vested. The state of Hawai'i (including the Department of Education and the University of Hawai'i) constitutes approximately 80% of ERS membership. The counties represent the remainder.</p>

Emergency Proclamations and Hiring: Through the Governor's Emergency Proclamations relating to Affordable Housing, Wildfires, and Homelessness, several sectors of state government

have initiated faster hiring processes to quickly fill critical positions.²⁶ For state agencies like the Hawai'i Emergency Management Agency (HI-EMA), the shortages were sharply felt in the immediate aftermath of the August 2023 Wildfires.

To facilitate ongoing recovery efforts and foster resilience-oriented strategies, HI-EMA must increase its capacity from its pre-August 2023 status. The agency needs 20 positions and \$653,000 in general funds for brushfire positions.

These efforts come on top of the Governor's Emergency Proclamation Relating to Wildfires, which suspends select civil service statutes to accelerate the hiring process for critically needed workers.

HELP: Hawai'i's chronic shortage of healthcare workers impacts the private and public sectors. In the last year, a reinigorated Healthcare Education Loan Repayment Program (HELP) was developed through the Governor's Office, the John A. Burns School of Medicine (JABSOM), the Healthcare Association of Hawai'i (HAH), the Hawai'i State Department of Health, and several other stakeholders. Over two years, \$30 million will support educational loan repayments to health professionals licensed or otherwise certified to provide care in the state of Hawai'i.

HELP: COHORT ONE AWARDEE STATISTICS

Breakdown by Island

- **Hawai'i Island** -- 29% (this increase is due to the 65 able to be funded by the first \$1.8M of the \$5M Mark and Lynn Benioff donation – *see below for more detail*)
- **Kaua'i** (4%)
- **Maui** (17%)
- **O'ahu** 48% (5% of O'ahu awardees work in Rural O'ahu: Waianae, Waimanalo, Wahiawa)
- **Lana'i** - 1 person

By profession or specialty (across the state):

- **Primary Care (33%):** Includes 72 physicians, 52 advanced practice nurses and 20 physician assistants.
- **Behavioral Health (19%):** Includes 32 licensed clinical social workers, 23 psychologists and 37 mental health counselors/therapists.
- **Nursing (31%):** Includes 69 APRNs (52 primary care, 13 other specialties) and 67 RNs.
- **Physicians (30%):** Includes 72 primary care, four psychiatry and 58 other specialties.

Additionally, 45 medical residents received loan repayment, most are in primary care (which for HELP purposes includes geriatrics). 4 psychiatrists also received repayment through HELP.

Amount of educational debt: The average educational debt in the first round (not including the residents) was \$114,418, with debt ranging from \$3,000 to \$500,000 (for a primary care physician). The average educational debt for the medical residents was \$178,000 with debt ranging from \$23,000-\$492,000 (a primary care physician).

Average educational debt by profession:

- **Physicians:** \$176,200

²⁶ Each of these Emergency Proclamations has suspended Hawai'i Revised Statutes Chapter 76.

- Psychologists: \$136,615
- Physician assistants (PA): \$127,300
- Nurse practitioners (APRN): \$89,800
- Registered nurses: \$46,800
- Other non-physician, non-psychologist behavioral health prov \$63,400

Additional information: Total educational indebtedness for first-round awardees (not including medical residents) amounted to \$24,932,000. This year's average HELP award was \$32,500, ranging from \$3,100 to \$50,000. Most healthcare professionals will also receive the same amount in loan repayments next year. Note that awards are set at a maximum of \$50,000 per year over 2 years.

A Special Investment in Hawai'i Island: Mark and Lynn Benioff's \$5M donation for Hawai'i Island: \$1.8M was provided in this round; the remaining \$3.2M will be distributed starting as of July 2024 to supplement the \$20M remaining from the state appropriation. With the additional Benioff funds, the following providers obtained loan repayment:

- Additional 65 Hawai'i Island primary care and behavioral health providers in the first round.
- Average award \$34,800 (range \$5,800-\$50,000).

**For more information and the online application, go to:
www.ahec.hawaii.edu/physician-recruiter/resources-physicians/loan-repayment**

Known as HELP, the program addresses the severe shortage of healthcare professionals in the state. Through the administration of the Hawai'i-Pacific Basin Area Health Education Center, the HELP program has already awarded 585 healthcare licensees in exchange for two years of full-time or half-time service in Hawai'i and providing care for a population of at least 30% vulnerable patients. This ensures that access to care will be improved for the underserved, especially in rural communities and on O'ahu's neighbor islands.

In exchange for the two years of full-time service in Hawai'i, high-demand healthcare professionals will qualify for loan repayments of up to \$50,000 per year. The eligible amount is contingent on such factors as profession, location of practice, and education indebtedness. Recipients must provide care, or work for organizations that have at least 30% of patients receiving public insurance.

WHAT HAPPENS WHEN WE RAISE PAY FOR EDUCATORS?

Hawai'i faced a high turnover rate for educators and chronic vacancies for educators

In its first year, the Green Administration set out to provide a long-term solution to the state's chronic shortage of public-school teachers. As of 2023, more than 60,000 keiki were not taught by a Hawai'i Qualified Teacher (HQT), leaving many classrooms in the hands of approximately 1,000 emergency hires and substitutes during an academic year. Governor Green presided over a successful round of negotiations between the Hawai'i State Teachers Association (HSTA) and the state of Hawai'i Department of Education (DOE).

HSTA and the DOE reached a tentative deal for a four-year contract with a 14.5% pay increase for teachers. Starting salaries rose from \$38,521 to \$50,325. Pay bumps for teachers who stay—and grow—with our students and our public school system were an additional consideration for this new deal. The state of Hawai'i needs to reward teachers who stay within the state's educational system. Retention is as important as recruitment to ensure we have enough qualified teachers.

The teachers of HSTA resoundingly voted to accept the deal on April 26, 2023. For the DOE's 13,500 teachers and their families, a living wage was the baseline. The teacher shortage was slashed by 50% in a year. Furthermore, the state of Hawai'i announced a new contract for approximately 2,500 Educational Assistants and 300 Vice Principals throughout the state through the Hawai'i Government Employees Association, led by Randy Perreira, and the DOE, led by Keith Hayashi.



Governor Green and members of the HSTA announce a tentative agreement for teacher contracts (4/17/23)

Vesting Opportunities: As a workforce attraction and retention tool, legislation drafted by Governor Green proposes a decrease in the vesting period within the Employee Retirement System (ERS) for all full-time state and county employees from 10 years to five years.

There are presently two tiers of employment in the state of Hawai'i. Tier 1 members (those hired

before July 1, 2012, were vested after five years). A 10-year requirement was added as a component of pension reform after that point. Individuals who must work for 10 years to become vested employees are known as ‘Tier 2.’

Introduced as [HB2410](#) and [SB3099](#), the proposal will boost retention, as any state or county worker who might be tempted to leave will be encouraged to stay to become vested in the state plan.

The reinstatement of a five-year vesting period will carry minimal impacts to the state’s financial health. Based on the 2023 payroll, estimates place the total cost at approximately \$9.8M annually with the cost to the state of about \$7.6 million and \$2.2 million paid by other employers. The plan’s Unfunded Actuarial Accrued Liability (UAAL) would increase by \$8 million; its funding ratio would remain unchanged, and the funding period in years would increase by four months.

A lower vesting requirement will attract and retain more members into the plan. Furthermore, the additional contributions and investment earnings resulting therefrom might fully offset the need for any rate increase. The potential \$9.8 million annual additional cost is characterized as “noise” in the context of the entire plan’s \$23 billion asset size.

By reducing the minimum number of years of credited service, Tier 2 members will help state and county employers with the recruitment and retention of qualified employees. Reducing employee turnover and retaining employees on the job longer may also help to reduce employer costs. The legislature further finds that these benefits outweigh the impacts on the employees’ retirement systems’ unfunded liability and projected full funding period.

Conclusion

Hawai‘i is already experiencing the consequences of the state’s chronic public sector shortages. Amid a generational shift in Hawai‘i’s workforce, the state of Hawai‘i must attract and retain qualified, competent public service workers. Young people with a commitment to and passion for the future of Hawai‘i—especially our Native Hawaiian youth—must step forward into the halls of government. Policymakers must strategically develop incentives for the recruitment and retention of young, motivated public servants.



PART II
Kako‘o Maui & Disaster Response



Chapter One

KAKO‘O MAUI

Resilience, Recovery, and A Stronger Maui Nui

On August 8, 2023, wildfires ripped across parts of West Maui, Upcountry Maui, and the island of Hawai‘i. While the damage ranged in severity, the town of Lahaina suffered the worst of the devastation. Hawai‘i lost 101 loved ones as fires burned more than 2,100 acres—destroying more than 2,200 homes and businesses. Since August 2023, the state of Hawai‘i has led a comprehensive disaster response which has since shifted into the recovery phase.

THE STATE OF HAWAI‘S INITIAL RESPONSE

In the early hours of August 10, 2023, Governor Green requested a Major Disaster Declaration by the U.S. Federal Government. President Biden’s swift approval came within hours, later that same day, allowing the state to access federal emergency support and services.

Close communication between Governor Green and the Biden Administration included a visit by the President and the First Lady on August 21, 2023. Governor Green remained in close contact with President Biden throughout that month.²⁷

In the days immediately following the disaster, the federal government provided crucial support for Hawai‘i and our people, including substantial financial aid for the disaster response and recovery process.

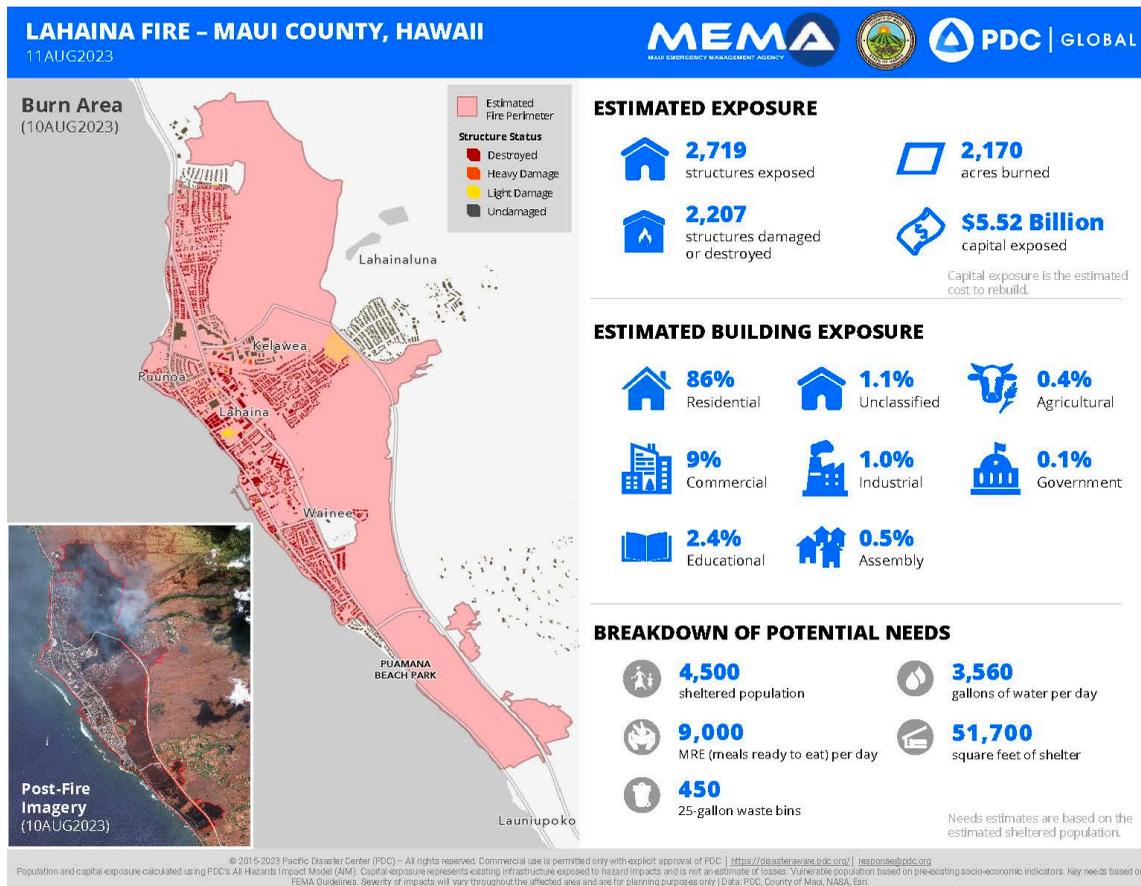
Under the leadership of FEMA Administrator Deanne Criswell and Region IX Administrator Robert Fenton, Hawai‘i received federal cost-share assistance to help with response and recovery efforts. Assistance included emergency protective measures, debris removal, and support for other critical recovery needs.

U.S. Housing and Urban Affairs Secretary Marcia Fudge, U.S. Health and Human Services Secretary Xavier Becerra, and other leaders from the Biden-Harris Administration provided access to millions of dollars in funding for Maui’s recovery.

In the months following the Maui wildfires, the state of Hawai‘i Department of Health conducted a Rapid Needs Assessment (RNA) to evaluate the long-term impacts caused by the destruction of 2,200 structures and an estimated five billion dollars in economic damage. The RNA demonstrated the pressing need to provide housing for approximately 9,600 individuals directly or indirectly displaced by the disaster.²⁸

²⁷ The Biden-Harris Administration compiled a comprehensive overview of their efforts to assist Maui amidst the wildfire efforts, including their work with the Green Administration. See a fact sheet here: <https://www.whitehouse.gov/briefing-room/statements-releases/2024/02/07/fact-sheet-six-months-after-maui-wildfires-biden-harris-administration-continues-to-support-survivors-and-impacted-communities/>

²⁸ This figure is based on the approximately 9,645 persons who applied for federal assistance, according to data provided to the State Department of Health from partners at the federal level. See: <https://health.hawaii.gov/news/files/2023/10/Maui-Wildfire-RNA-Preliminary-Report.pdf>



A Breakdown of the Devastation: In the days after the disaster, imaging documented damage to more than 2,200 structures. Approximately 86% of the 2,700 buildings left exposed to damage by the wildfires (approximately 2,300) were residential units. ([Maui County](#))

The Road Ahead: The State’s Evolving Role

Not since the Hilo Tsunami of 1960 has a severe natural disaster demanded the total efforts of the state of Hawai‘i. A series of emergency proclamations relating to the wildfires of August 2023, the launch of the **One ‘Ohana Initiative**, and working with Maui County on a **Maui Interim Housing Plan** are among the many actions taken by the Green Administration.

I. ONE ‘OHANA INITIATIVE

To support Maui’s recovery, Governor Green announced the One ‘Ohana Initiative on November 30, 2023. This initiative consists of multiple recovery programs including \$100 million in funding for the Maui Relief Temporary Assistance for Needy Families (TANF); an updated siren policy through the Hawai‘i Emergency Management Agency; the wildfire safety strategy of Hawaiian Electric Co.; a Maui recovery fund; and other efforts.

As part of the overall One ‘Ohana Initiative, the Maui Recovery Fund brings together partners including the state of Hawai‘i, Maui County, Maui Electric Co., Kamehameha Schools, and Spectrum, Inc. to contribute to a \$175 million fund that will provide support to survivors of the Maui fires who lost loved ones or suffered severe injuries.

The Green Administration announced that the One ‘Ohana Fund will open on March 1, 2024.²⁹ Retired state judge Ronald Ibarra is the fund’s administrator and is meeting with surviving family members to hear concerns and answer questions about the fund. For more information, please visit www.mauicompensationfund.com.



Governor Green and senior staff speak with FEMA administrators in the aftermath of the Lahaina wildfires.

II. SHORT-TERM RENTALS & THE MAUI INTERIM HOUSING PLAN

Short-term Rentals (STRs) contribute to Hawai‘i’s housing crisis. There are an estimated 30,000-89,000 STRs in the State of Hawai‘i. Only 14,000 of these rental units are legal; the remaining rental units are illegal.³⁰

The Maui wildfires are heightening the impact of STRs on our state’s housing inventory. In December 2023, a proposal to use STRs to address the critical housing shortage faced by displaced residents was shared. The plan would convert 3,000 condos and homes typically used for STRs into long-term housing for wildfire survivors.

By January 2024, the plan had evolved into a collaborative effort named the **Maui Interim**

²⁹<https://governor.hawaii.gov/newsroom/office-of-the-governor-news-release-gov-green-announces-opening-of-one-%CA%BBohana-fund/>

³⁰ <https://www.hawaiinewsnow.com/2024/02/29/lawmakers-cracking-down-illegal-vacation-rentals-wont-solve-housing-crisis/?outputType=amp>; <https://uhero.hawaii.edu/short-term-vacation-rentals-and-housing-costs-in-hawaii%ca%bbi/>

Housing Plan (MIHP). Key parts of the housing plan include (1) securing at least 3,000 housing units with 18-month commitments (not limited to short-term rentals) and (2) moving displaced individuals and families from temporary hotels into stable housing solutions by July 2024.

Through the MIHP, the state of Hawai'i joined Maui County, the Hawai'i Community Foundation (HCF), the Council for Native Hawaiian Advancement (CNHA), the Federal Emergency Management Agency (FEMA), and the American Red Cross (ARC) to sign a memorandum of understanding that commits their collective resources to create the *Maui Interim Housing Plan*. The Plan commits \$500 million to a pool of more than 3,000 stable housing units that will be fixed to 18-month terms of use.³¹

In late November 2023, Maui County Mayor Bissen estimated that the county presently had 2,500 to 3,000 timeshare units, 12,000 to 14,000 non-owner-occupied homes, and 12,000-to-14,000 short-term rentals.³²

To encourage the conversion of existing short-term rental (STR) stock to long-term rentals (LTR), the Green Administration submitted [HB2416](#) and [SB3015](#) for the 2024 Legislative Session. These bills direct the Director of the state of Hawai'i Department of Taxation to develop and administer a one-time tax amnesty program for owners that agree to undertake the conversion process.

Through the process, qualified owners will be exempt from criminal prosecution, fines, penalties, and interest that may be assessed for the waiver period for imposed general excise taxes and Transient Accommodations Taxes (TAT) in the form of a two-year written resident lease agreement.

In addition, the tax amnesty program provides:

- A conveyance tax exemption for certain real property furnished as a transient accommodation during the period from January 1, 2023, to July 1, 2024.
- An income tax exemption for capital gains from the sale of certain STR properties furnished as transient accommodation and closing after June 30, 2024, and before January 1, 2026, subject to certain conditions.

If enough individuals participate in the Maui County and state of Hawai'i's programs, then Maui will be able to house displaced residents on a more permanent basis.

III. WILDFIRE RESILIENCE

Improving the electric utility's infrastructure and providing needed upgrades are important for residents in the state.

Green Administration bills HB2407 and SB3096 create a process to save millions of dollars in interest payments for the utility and consumers alike through a process known as securitization.

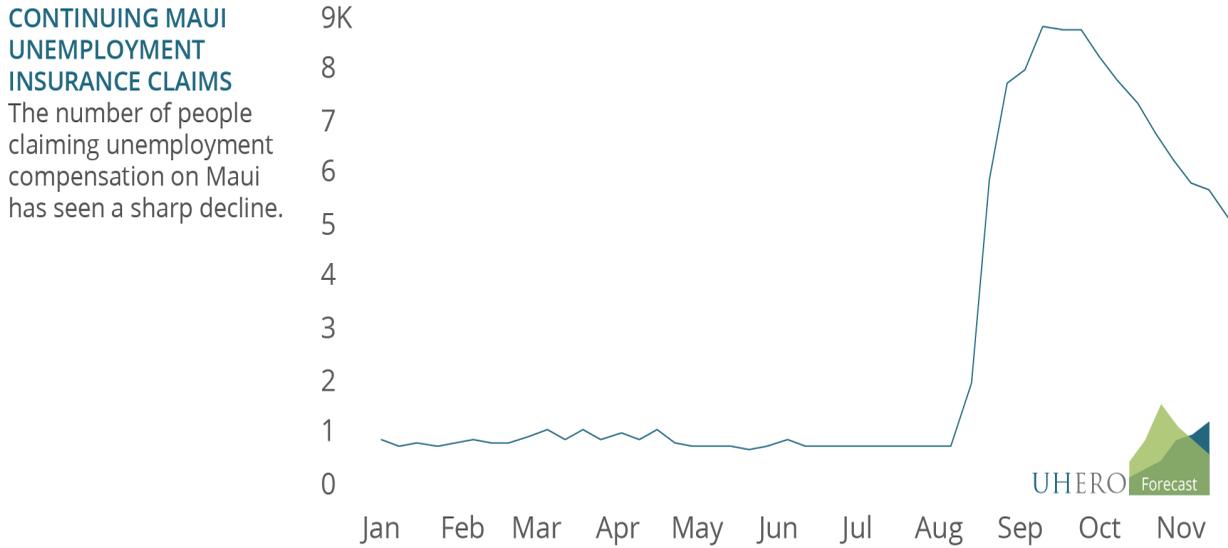
Similar programs have been set up in California after its wildfires, and in Florida after its hurricanes.

Under the plan, HECO would issue low-interest bonds secured by future ratepayer revenue to pay for wildfire mitigation work that is approved by the state Public Utilities Commission (PUC). To ensure that the utility does not get a bailout and that the best interests of the consumer are

³¹ <https://www.mauicounty.gov/CivicAlerts.aspx?AID=13154>

³² <https://www.mauicounty.gov/civicalerts.aspx?AID=13067>

considered, the PUC will review and have the final say on the use of bond proceeds.



Maui’s Recovery and Unemployment Filings (January to December 2023) ([UHERO](#))

IV. INFRASTRUCTURE AND RECOVERY WORK

The Green Administration outlined the following requests for the recovery of Maui County during a budget briefing for the 2024 Legislative Session. These costs include:

- \$13.3M in general funds and \$12.7M in federal funds for Disaster Case Management Services to those displaced by the Maui wildfires;
- \$2.4M in GO bonds for fire prevention and erosion control in West and upcountry Maui and fire suppression dip tanks on Maui under the direction of the Department of Land and Natural Resources (DLNR);
- \$6.6M in revenue bonds and \$26.4M in federal funds for major repairs, rehabilitation, and reinstallation of state highway facilities in Lahaina;
- Add \$186M to Budget and Finance (B&F) for Maui disaster costs;
- \$7.5M in general funds to DLNR to improve forest resource management practices for fire-resilient landscapes;
- 3.00 positions and \$154k in general funds for the Hawai‘i Climate Change Mitigation and Adaptation Commission;
- 3.00 positions and \$388k in special funds and \$430k in federal funds for the Solar for All (as part of the U.S. Inflation Reduction Act) and for Hawai‘i Green Infrastructure Authority Operations; and
- \$2M in special funds for equipment and motor vehicles to support state parks.

A comprehensive approach to the state of Hawai‘i’s support for the Maui wildfire response and recovery is proposed through [HB2379](#) and [SB3068](#). This legislation includes:

1. A special appropriation for the state’s response to the Maui wildfires and statewide wildfire mitigation and response; and
2. Funds for general-funded capital improvement project operating appropriations reauthorized as general obligation bond-funded appropriations.

CONCLUSION

More than six months after the Maui fires, the tragic losses are still devastating.

The enormous state, county, and federal efforts to place thousands of displaced families in long-term housing, clean up hundreds of acres of debris, and begin rebuilding the affected areas of West Maui will take years of work and billions of dollars. Governor Green and his entire administration remain committed to this effort.

President Biden—speaking less than two weeks after the disaster—summed up our commitment simply and directly: “It’s time to rebuild this community the way you want it built—the way you want it—so it’s still a community, not a group of beautiful homes, but a community.”³³

Maui will recover, and Lahaina will rise and thrive again—a symbol of the strength and resilience of our people, and a testament to the commitment of this administration and its federal, legislative, and county partners.



In the aftermath of the Lahaina wildfires, Governor Green speaks at a press conference with First Lady of Hawaii Jaime Kanani Green, President Joe Biden and First Lady of the United States Dr. Jill Biden, and Senators Brian Schatz and Mazie Hirono (8/22/23)

³³ <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/08/21/remarks-by-president-biden-at-community-engagement-with-residents-impacts-by-wildfires/>

Chapter Two

REMOVING SYSTEMIC VULNERABILITIES

Enhancing Resiliency and Wildfire Mitigation

The formation of the Green Climate Corps, the Climate Impact Fee, investment in fire-resilient staff and a state fire marshal, and infrastructure support for affordable housing projects vulnerable to wildfires are among the administration’s priorities for the next year.

Problem Framing: The Legacy of a Resilient Hawai‘i

While the bulk of the attention in August focused on the devastation in Maui, wildfires also burned across the Wahiawā region of Central O‘ahu and the Kohala and Ka‘u districts of Hawai‘i. Many areas of our state continue to face the real threat of wildfires.

Hawai‘i’s policy on wildfires has evolved over the past century. Forestry and water management have been practiced since before the formation of the Hawaiian Kingdom.³⁴

Disasters have historically been catalysts for action. The Great Hamakua Fire of 1901 destroyed more than 30,000 acres of land on the Hamakua Coast of Hawai‘i Island, causing the Territorial Legislature to speedily establish the Division of Forestry, the predecessor to the contemporary

Division of Forestry and Wildlife within the Department of Land and Natural Resources.³⁵

A research review from 1904 to 2011 finds that the frequency of wildfires was already on the rise before August 2023—peaking from the mid-1990s to the present.³⁶

Fallow agricultural lands facilitated the introduction of invasive grasses, which serve as tinder for wildfires in the Pacific region.³⁷ Landscapes dominated by such grasses contribute to the easy ignition and rapid propagation of wildfires across our islands. Such non-native dryland vegetation and shrublands constitute approximately one-quarter of all of Hawai‘i’s land cover.³⁸

Climate change will continue to result in drier climates, rising sea levels, and more sporadic periods of rain.³⁹ The state of Hawai‘i must regularly assess fire risks and projected impacts through the careful incorporation of expert recommendations on planning and prevention, in which land management will play a central role.

³⁴ Ronald Cannarella, a now-retired Forrester with the Department of Land and Natural Resources, prepared a historical timeline of policy interventions circa 2010. See <https://dlnr.hawaii.gov/forestry/files/2013/09/Appendix-F-Forest-History.pdf>

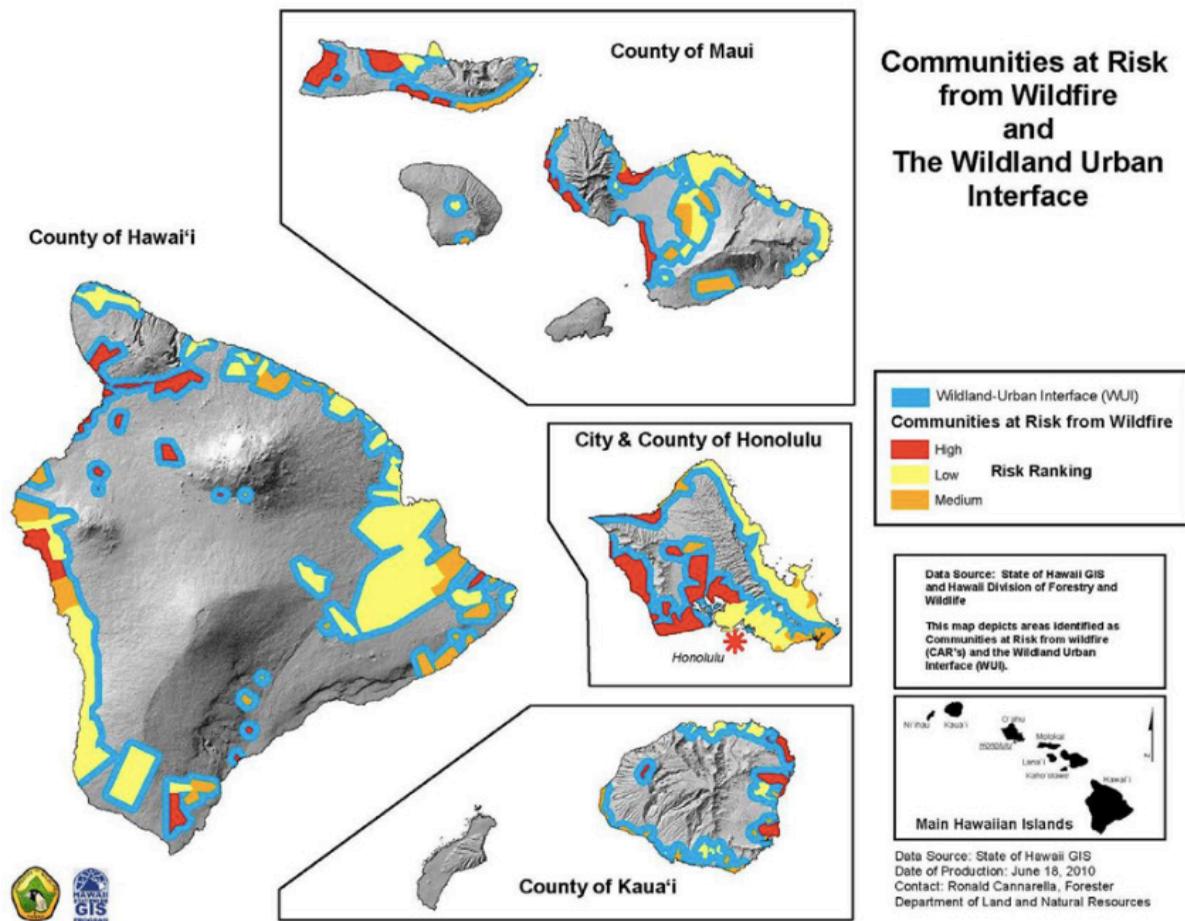
³⁵ See Clay Trauernicht for an overview of the Great Hamakua Fire’s impact here: <https://pacificfireexchange.org/resource/hawaiis-big-burn-the-1901-hamakua-fire/> <https://www.civilbeat.org/2023/11/matthew-leonard-how-the-hamakua-burn-of-1901-started-Hawai'i>

³⁶ <https://www.fs.usda.gov/research/treesearch/49792>

³⁷ See an overview from the Department of Land and Natural Resources here: <https://dlnr.hawaii.gov/hisc/info/species/invasive-grasses-in-hawaii-and-their-impacts/>

³⁸ <https://www.fs.usda.gov/research/treesearch/49792>

³⁹ For more information, see the State of Hawai‘i Climate Change Commission here: <https://climate.hawaii.gov/hi-facts/>



WILDFIRE VULNERABILITIES: Data generated for the State Forest Action Plan of 2010, which was employed again for the plan's update in 2016, identified areas with varying degrees of vulnerability to wildfires. Coastal communities in West Maui are among the most vulnerable in the state of Hawai'i.⁴⁰

OUR SOLUTIONS: A NETWORK OF RESILIENCE

A. Climate Impact Fee

The Green Administration is proposing the creation of a Climate Health and Environmental Action Special Fund to (1) minimize the impacts of and (2) respond to the global climate crisis.

The Climate Impact Fee, as detailed in [HB2406](#) and [SB3095](#), establishes the Climate Health and Environmental Action Special Fund (EASF) in the DLNR. The EASF will "...minimize the impacts of, and response to, climate crises funded by a \$25 tax on transient accommodations."

To defray the impacts of this proposal in areas impacted by the wildfires of August 2023, the legislative proposals additionally exempt all housing used for emergencies from the TAT.

⁴⁰ More information on the Forest Action Plan can be found here: <https://dlnr.hawaii.gov/forestry/info/fap/>

B. The Green Climate Corps

The Green Administration's wildfire recovery efforts include the mobilization of Hawai'i's Green Job Youth Corps, a state program established in 2021 to transition young adults into jobs that emphasize environmental restoration and stewardship. Since its launch, the program has helped hundreds of young adults get on-the-job experience in sustainability-focused professions.

The Green Job Youth Corps will focus on conservation and natural resource management jobs that either prevent future wildfires or directly support wildfire recovery efforts on Maui and Hawai'i Island. By narrowing the program's focus, the state of Hawai'i will simultaneously address recovery needs in the short term while building our entire state's workforce capacity to respond to and prevent future wildfires in the long term.



Members of the Kupu Green Youth Jobs Corp work on a lo'i patch

To execute this program, the DLNR is partnering with Kupu, a Hawai'i-based conservation nonprofit with more than 15 years of experience providing conservation jobs and internships across the islands. Green Job Youth Corps positions will focus on the recovery and stabilization phase of the wildfire response. Positions will include the following focus areas:

- Removal of fire-prone invasive species plants to reduce future wildfire risk;
- Restoration of land and communities impacted by the wildfires, including planting fire-resistant and native plant species;
- Building DLNR capacity to prevent and respond to wildfire risk; and
- Providing capacity to ranchers, farmers, and other businesses impacted by the wildfire.

Starting in late February, Kupu will begin taking applications for participants to work as part of the

Green Job Youth Corps. It will allow local nonprofits and businesses to apply to host one or more Green Job Youth Corps participants. The first wave of participants will be deployed in March 2024.

DHHL Infrastructure

In January 2023, the DHHL announced plans for a second subdivision of its Villages of Leialī community in Lahaina.⁴¹ While the majority of this community was spared from the wildfires, two homes were lost.⁴² The close call for this community raised alarms for Hawaiian Homestead communities across Hawai‘i.

The Green Administration’s budget proposal includes \$20 million in general funds to DHHL for wildfire recovery and preventative measures, including fire breaks and the development of water resources.

Fire Support and Infrastructure

A strategic investment of \$17.4 million—to be divided into two parts—will support DLNR efforts to protect state lands against wildfire threats. Proposed investments include:

- \$7.4 million for fire pre-suppression, response, and post-fire restoration activities; and
- \$10 million for emergency response equipment.

Through [HB2409/SB3098](#), produced a new state Fire Marshal model to be housed at the Department of Labor and Industrial Relations (DLIR). The position’s responsibilities will be to:

1. Review and assess the fire risk to the state;
2. Review and propose amendments to the state fire code and submit the proposed amendments to the state fire council for consideration in its adoption of or amendments to the state fire code;
3. Review state emergency resources to be deployed to address fires;
4. Assess whether the state would benefit from a statewide public fire safety messaging program; and
5. Prepare an annual report on the state fire marshal's review or assessment, or both, of the items described in (1) through (4).

While housed in DLIR, the state Fire Marshal will collaborate with stakeholders across county, state, and federal government agencies.

CONCLUSION

The state of Hawai‘i is still processing the full scope of the devastating fires on Maui. History, however, shows that Hawai‘i must carefully weigh its relationship with the natural environment—our *‘āina*. The present day is no exception. Other parts of Hawai‘i remain susceptible to the risks of natural disasters. With time, community engagement, and proper planning, the state of Hawai‘i will foster a resilient state where we reduce and control the risks of catastrophic disasters.

⁴¹ <https://mauinow.com/2023/01/01/dhhl-plans-new-75m-villages-of-leiali%CA%BBi-subdivision-with-up-to-250-units-in-lahaina/>

⁴² <https://www.hawaiipublicradio.org/local-news/2023-09-11/hawaiian-homestead-in-lahaina-sees-miraculous-survival-of-homes-after-the-fire>



CONCLUSION: THE PATH TOWARD *“The Hawai‘i We Deserve”*

The people of Hawai‘i are ultimately responsible for taking care of each other and for the stewardship of our islands.

Together we are on the path toward fully realizing these responsibilities—our shared kuleana.

The devastating fires of August 2023 presented Hawai‘i with enormous challenges, and an opportunity to come together.

We are taking action to address long-term issues like the cost of living; affordable housing; homelessness; economic diversification; and environmental sustainability.

We are united around our shared values and a common purpose—to support Maui as it begins to recover and heal, to house our people and end homelessness, and to make life in Hawai‘i more affordable, so that our next generation can build a future here at home.

This document is a roadmap as we continue our path forward, and a blueprint for dealing with some of our biggest challenges.

But most of all, it is meant to be a call to bring us together, so that working as one ‘ohana we can build the future we want—and *The Hawai‘i We Deserve*.



Members of the Green Administration and state cabinet pose for a group photo at the Hawai‘i State Capitol building



Photo by [Warren Lemay](#); courtesy of Flickr