
A BILL FOR AN ACT

RELATING TO ACCESSORY DWELLING UNITS.

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

1 SECTION 1. The legislature finds that affordable housing
2 is an urgent issue of public concern across the State. The
3 legislature notes that Act 279, Session Laws of Hawaii 1992,
4 established a two-year homeless assistance pilot project, known
5 as the Hale Kokua project, to provide incentives and assistance
6 to private homeowners in the city and county of Honolulu who set
7 aside existing dwelling units, or constructed new or improved
8 existing dwelling units to rent to families or individuals
9 classified as homeless under the project for a period of five
10 years. Subsequently, Act 167, Session Laws of Hawaii 1998,
11 reinstated the Hale Kokua program as a permanent program under
12 the housing and community development corporation of Hawaii that
13 provided incentives and assistance to private homeowners
14 throughout the State who set aside existing dwelling units, or
15 constructed or renovated dwelling units, for rental for a period
16 of five years by families or individuals classified as employed
17 but homeless. In 2006, the Hale Kokua program was placed under



1 the Hawaii public housing authority by Act 180, Session Laws of
2 Hawaii 2006; however, the program was later repealed.

3 The legislature further finds that homelessness is a
4 statewide concern. This issue is complex and requires
5 continuous resources and coordinated effort at all levels of
6 government and the community. Among the options in addressing
7 homelessness and the lack of affordable housing in the State is
8 through a housing assistance program that authorizes grants and
9 monthly rental subsidies to private property owners who set
10 aside any existing rental space or improve or construct a
11 dwelling unit for the purpose of renting their units to families
12 or individuals who are homeless.

13 The purpose of this Act is to address the lack of
14 affordable housing in the State by:

- 15 (1) Establishing a housing assistance program, to be
16 carried out by a housing assistance program
17 coordinator, that provides state grants and rental
18 subsidies to private property owners who set aside
19 existing accessory dwelling units or construct or
20 improve accessory dwelling units on their properties



1 and rent the units to families or individuals who are
2 homeless;

3 (2) Establishing a housing assistance program commission
4 to support the housing assistance program; and

5 (3) Appropriating funds for the housing assistance
6 program.

7 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
8 amended by adding three new sections to part XVII to be
9 appropriately designated and to read as follows:

10 "§346- Housing assistance program. (a) There is
11 established within the department a housing assistance program.

12 (b) The housing assistance program shall:

13 (1) Provide state grants and state rental subsidies to
14 private property owners, in a county with a population
15 greater than five hundred thousand, who set aside
16 existing accessory dwelling units, construct new
17 accessory dwelling units, or improve existing
18 accessory dwelling units on their properties for
19 rental for a period of five years by families or
20 individuals classified as homeless under the housing
21 assistance program;



1 (2) Be headed by a housing assistance program coordinator,
2 who shall be appointed by the director, with the
3 assistance of the housing assistance program
4 commission;

5 (3) Be administered by the director, who shall adopt
6 standards and develop a long-term framework necessary
7 to implement the housing assistance program statewide
8 after its initial phase; and

9 (4) Prioritize placing homeless families who have been
10 homeless in the State the longest and have been living
11 in parks, cars, campgrounds, on the streets, or other
12 public areas, into rental accessory dwelling units
13 made available under the program.

14 (c) Assistance to any qualified property owner providing
15 rental housing pursuant to this section shall include but not be
16 limited to at least one of the following:

17 (1) The payment of up to \$ _____ as a state grant to
18 offset the cost of constructing any separate structure
19 upon the premises of the owner's property in
20 preparation for use as an accessory dwelling unit
21 under the housing assistance program;



- 1 (2) The payment of up to \$ _____ as a state grant to
2 offset the cost of renovating, improving, or building
3 any adjoining addition upon the premises of the
4 owner's property in preparation for use as an
5 accessory dwelling unit under the housing assistance
6 program;
- 7 (3) The payment of a \$ _____ monthly state rent
8 subsidy to supplement the monthly rental payments made
9 by the homeless tenant;
- 10 (4) Real property tax waivers or rate reductions proposed
11 by the housing assistance program coordinator and
12 approved by the council of the county in which the
13 property is located;
- 14 (5) Zoning and building code exemptions applicable to the
15 construction of adjoining or separate accessory
16 dwelling units on the owner's property; provided that
17 any construction of adjoining or separate accessory
18 dwelling units on the owner's property shall comply
19 with all county zoning and building ordinances and
20 codes and all other county permitting requirements;
21 provided further that the county, by ordinance, may



1 establish minimum development and construction
2 standards for these accessory dwelling units and
3 procedures for approval of the accessory dwelling
4 units; and
5 (6) Other incentives consistent with the purposes of the
6 housing assistance program that are adopted by the
7 housing assistance program coordinator to incentivize
8 and facilitate the participation of property owners in
9 the program.

10 (d) Any private property owner who withdraws from the
11 housing assistance program prior to the expiration
12 of _____ years from the time the property owner commences
13 participation in the program or leaves an accessory dwelling
14 unit for more than one year shall return any state grant for
15 construction or renovation improvements within _____ days of the
16 date of withdrawal. The department may assess a property owner
17 a penalty of up to three times the rental amount received for
18 each month the property owner receives a rental subsidy during
19 which time the accessory dwelling unit is vacant or is rented to
20 an individual or family who does not meet the requirements of
21 the housing assistance program. The housing assistance program



1 coordinator shall act to recover the grant, including but not
2 limited to the filing of liens against the real property of
3 withdrawing property owners. The respective county government
4 whose jurisdiction includes the rental site shall determine the
5 disposition of any additional accessory dwelling unit
6 constructed with the grant.

7 (e) The director shall adopt rules pursuant to chapter 91
8 necessary to effectuate the purpose of the housing assistance
9 program; provided that any rules adopted before _____,
10 shall be exempt from the public notice and public hearing
11 requirements of chapter 91.

12 (f) Nothing in this section shall be deemed to delegate or
13 detract in any way from the functions, powers, and duties
14 prescribed by law for any other department or agency of the
15 State or counties, or interrupt or preclude the direct
16 relationships of any department or agency in the performance of
17 its functions, powers, and duties.

18 §346- Housing assistance program commission. (a)
19 There is established the housing assistance program commission,
20 which shall consist of at least fourteen members to provide
21 oversight over the housing assistance program, including the



1 provision of grants and subsidies and advisory assistance to the
2 housing assistance program coordinator in implementing the
3 program.

4 (b) The members of the housing assistance program
5 commission shall comprise the following members or their
6 respective designees:

7 (1) The director of human services, who shall serve as the
8 ex officio, voting chairperson of the committee;

9 (2) The director of labor and industrial relations;

10 (3) The director of health;

11 (4) The director of taxation;

12 (5) The superintendent of education;

13 (6) The executive director of the Hawaii public housing
14 authority;

15 (7) The executive director of the Hawaii housing finance
16 and development corporation;

17 (8) The governor's coordinator on homelessness;

18 (9) The director of the department of planning and
19 permitting of the relevant county;

20 (10) The executive director of the real property assessment
21 division of the relevant county;



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- 1 (11) One representative to be appointed by the governor;
- 2 (12) One representative to be appointed by the mayor of the
- 3 relevant county;
- 4 (13) One representative from a nonprofit organization, who
- 5 shall be appointed by the president of the senate;
- 6 (14) One representative from a nonprofit organization, who
- 7 shall be appointed by the speaker of the house of
- 8 representatives; and
- 9 (15) Other individuals that the housing assistance program
- 10 committee deems necessary.

11 The members of the housing assistance program commission shall
12 serve without compensation but shall be reimbursed for necessary
13 expenses, including travel expenses, incurred in the performance
14 of their duties.

15 **§346- Housing assistance program coordinator.** (a) The
16 director shall appoint a housing assistance program coordinator
17 to carry out the housing assistance program. The housing
18 assistance program coordinator may be assisted by one
19 administrative assistant and one clerical staff member, both of
20 whom shall be appointed by the director without regard to
21 chapter 76. The housing assistance program coordinator, with



1 the approval of the director, may contract with private entities
2 to carry out the duties and responsibilities of the housing
3 assistance program.

4 (b) Under the supervision of the director, the duties of
5 the housing assistance program coordinator shall include:

6 (1) Carrying out the requirements of the housing
7 assistance program;

8 (2) Developing and adopting the requirements and
9 qualifications, registration, background check,
10 initial screening, and follow-up post-placement
11 procedures necessary to determine the housing
12 assistance program's ability to make rental payments
13 and the need for social services and referrals for
14 homeless families and individuals in order to qualify
15 as tenants under the program. The housing assistance
16 program coordinator shall prioritize the placement of
17 homeless families living in parks, cars, campgrounds,
18 on the streets, or other public areas, into rental
19 accessory dwelling units under the program;

20 (3) Developing and adopting the requirements,
21 qualifications, and registration procedures necessary



1 for property owners who provide rental housing to
2 qualified homeless tenants; provided that priority
3 shall be given to property owners not requesting
4 construction grants;
5 (4) Developing appropriate waivers of liability and
6 adopting procedures necessary to place qualified
7 tenants who are homeless with property owners
8 participating in the housing assistance program;
9 provided that each participating property owner shall
10 have the opportunity to conduct interviews and make
11 the final tenant selection from a list of prospective
12 tenants compiled by the housing assistance program
13 coordinator;
14 (5) Establishing the procedures and requirements necessary
15 for the disbursement of building improvement grants
16 and rental subsidies to property owners participating
17 in the housing assistance program;
18 (6) Working with the relevant county to develop and
19 propose uniform incentives, including real property
20 tax waivers or reductions and exemptions in zoning or



- 1 building code requirements, to encourage and
2 facilitate the participation of property owners;
3 (7) Monitoring the financial status and progress of
4 recovery of the homeless tenants and cooperating with
5 other agencies in establishing and coordinating self-
6 help, job training, and other self-improvement
7 programs for persons who are homeless;
8 (8) Promoting and assisting in the development of
9 employer-employee relationships between homeless
10 tenants and participating property owners, including
11 but not limited to tenant caretaker, housekeeper, or
12 groundskeeper employment situations;
13 (9) Assisting homeless families and individuals wishing to
14 return or relocate to out-of-state locations with the
15 relocation process;
16 (10) Securing financial, in-kind, and administrative
17 assistance from law enforcement and other state and
18 county agencies and the private sector to implement
19 the housing assistance program;



1 (11) Securing funding assistance from federal agencies and
2 programs involved in housing development, job-
3 training, or homeless assistance;

4 (12) Reporting monthly to the housing assistance program
5 commission; and

6 (13) Monitoring the overall progress of the housing
7 assistance program and collecting annual statistics on
8 the numbers of homeless individuals, homeless
9 families, and homeless children housed by the program,
10 using measurement systems that are aligned with
11 national surveys and studies on homelessness.

12 (c) The housing assistance program coordinator shall
13 prepare interim reports on the status of the housing assistance
14 program in each year after the first year of the program's
15 operation, which shall be submitted to the legislature no later
16 than twenty days prior to the convening of each regular session
17 while the program is in existence. The reports shall include
18 the annual statistics required by subsection (b) (13) and other
19 relevant information.

20 (d) The housing assistance program coordinator shall
21 prepare a final report on the housing assistance program after



1 the program has ended. The housing assistance program
2 coordinator shall submit the report, which shall contain
3 findings and recommendations, including recommendations on ways
4 to encourage participating property owners to commit to further
5 participation in the program and details of the framework needed
6 to implement the project statewide, and any proposed
7 legislation, to the legislature no later than twenty days prior
8 to the convening of the regular session of ."

9 SECTION 3. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so
11 much thereof as may be necessary for fiscal year 2024-2025 for
12 the purposes of this Act.

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

15 SECTION 4. In accordance with section 9 of article VII of
16 the Hawaii State Constitution and sections 37-91 and 37-93,
17 Hawaii Revised Statutes, the legislature has determined that the
18 appropriations contained in H.B. No. , will cause the state
19 general fund expenditure ceiling for fiscal year 2024-2025 to be
20 exceeded by \$ or per cent. In addition, the
21 appropriation contained in this Act will cause the general fund



1 expenditure ceiling for fiscal year 2024-2025 to be further
2 exceeded by \$ or per cent. The combined total
3 amount of general fund appropriations contained in only these
4 two Acts will cause the state general fund expenditure ceiling
5 for fiscal year 2024-2025 to be exceeded by
6 \$ or per cent. The reasons for exceeding the
7 general fund expenditure ceiling are that:

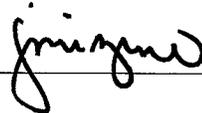
- 8 (1) The appropriation made in this Act is necessary to
9 serve the public interest; and
10 (2) The appropriation made in this Act meets the needs
11 addressed by this Act.

12 SECTION 5. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2024, and
14 shall be repealed on June 30, 2029; provided that the housing
15 assistance program commission shall be repealed on June 30,
16 2026, or upon approval of two thousand accessory dwelling units
17 pursuant to this Act, whichever is sooner.

18

INTRODUCED BY: _____



JAN 22 2024



H.B. NO. 2172

Report Title:

Housing Assistance Program; Housing Assistance Program Coordinator; Commission; Subsidies; Grants; Department of Human Services; Accessory Dwelling Units; Property Owners; Homelessness; Appropriation; Expenditure Ceiling

Description:

Establishes the housing assistance program, to be carried out by the housing assistance program coordinator, within the Department of Human Services to provide state grants and rental subsidies to private property owners who set aside, construct, or improve accessory dwelling units on their properties and rent the units to homeless families or individuals. Establishes the temporary housing assistance program commission and positions to support the housing assistance program. Appropriates funds. Sunsets 6/30/2029.

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

