

JAN 24 2018

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# A BILL FOR AN ACT

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RELATING TO HOMELESSNESS.

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

1       SECTION 1. The legislature finds that homelessness is an  
2       issue of public concern and should be regarded as one of the  
3       most significant social problems facing the State. The severity  
4       of the problem is visible in every area of the State, and signs  
5       that the problem is growing progressively worse are becoming  
6       more and more prevalent. Without exception, the problem of  
7       homelessness affects the lives of every person in the State, and  
8       the burden of rectifying this problem should be approached as a  
9       collective responsibility. While there are no easy solutions,  
10      it is clear that community involvement in the fight against  
11      homelessness is the key toward the development of an effective  
12      and workable system.

13      The legislature understands that a cooperative effort  
14      between the State, counties, and federal government is necessary  
15      to provide the community with the resources and incentives  
16      needed to eliminate the condition of homelessness. The  
17      legislature also finds that the establishment of a voluntary



1 homeless assistance pilot project that would authorize the  
2 payment of a state grant and a monthly rent supplement to any  
3 interested property owner who sets aside any existing rental  
4 space, or who undertakes the improvement or construction of any  
5 adjoining or separate dwelling unit for the purpose of renting  
6 the unit to any family or individual classified as homeless,  
7 would be a feasible undertaking and help to reduce the  
8 homelessness rate.

9       The legislature further finds that the cost to implement  
10 this particular approach would be far less than the cost of  
11 building new homeless shelter facilities, since the capital  
12 development costs of building rental units would be shared by  
13 the public and private sectors. Additionally, because the pilot  
14 project has the potential to drastically reduce the actual  
15 number of homeless families and individuals living in public  
16 areas, it could restore unfettered access to malls, streets,  
17 parks, and campgrounds, and allow stricter enforcement of the  
18 State's public access laws. Overall, the pilot project would  
19 enrich the quality of life for the people of Hawaii and  
20 strengthen the State's reputation as one of the most beautiful  
21 areas in the world to visit.



1       The legislature intends that the pilot project will assist  
2 homeless families and individuals willing to engage in self-  
3 improvement programs and undertake regular employment by  
4 providing an alternative to living in homeless shelters, which  
5 indiscriminately group together homeless families with special  
6 needs homeless persons. The legislature anticipates that  
7 lifting the burden on homeless shelters will allow other  
8 resource providers to focus more intently on special needs  
9 homeless persons. The legislature also anticipates that  
10 limiting the number of homeowners authorized to take part in the  
11 pilot project to ten per census tract will ensure that no  
12 particular district or community is unduly burdened by a sudden  
13 influx of homeless families holding rental contracts with  
14 qualified homeowners under the project. The legislature expects  
15 that, with approximately two hundred forty-four census tracts  
16 throughout the city and county of Honolulu, the project has the  
17 potential of making 2,440 units available to homeless families  
18 on Oahu. Moreover, with an average of two and one-half members  
19 per homeless family, the legislature expects that the project  
20 will have the ability to provide homes for 6,100 people during  
21 its initial pilot phase alone.



1        Accordingly, the purpose of this Act is to establish a  
2        five-year homeless assistance pilot project, which shall be  
3        known as the "Hale Kokua project", to authorize the payment of a  
4        state grant and a monthly rent supplement to any interested  
5        property owner who sets aside any existing rental space or who  
6        undertakes the improvement or construction of any adjoining or  
7        separate dwelling unit for the purpose of renting the unit for a  
8        period of five years to any family or individual classified as  
9        homeless under the pilot project.

10       SECTION 2. There is established within the Hawaii housing  
11       finance and development corporation a five-year homeless  
12       assistance pilot project. The pilot project shall be known as  
13       the "Hale Kokua project." The pilot project shall:

14       (1) Provide incentives and assistance to private  
15       homeowners in the city and county of Honolulu who set  
16       aside existing dwelling units, or construct new or  
17       improve existing dwelling units, for rental for a  
18       period of five years by families or individuals  
19       classified as homeless under the project;

20       (2) Be headed by a project coordinator, who shall be  
21       appointed by the executive director of the Hawaii



1           housing finance and development corporation, with the  
2           assistance of the homeless housing assistance  
3           coordinating committee that is established under  
4           section 4 of this Act;

5           (3) Be administered by the executive director of the  
6           Hawaii housing finance and development corporation,  
7           who shall adopt the standards and framework necessary  
8           to implement the project statewide after its initial  
9           pilot phase;

10          (4) Initially be limited in scope to the city and county  
11          of Honolulu;

12          (5) Prioritize placing homeless families who have been  
13          homeless in the State the longest and have been living  
14          in parks, cars, the streets, or other public areas,  
15          into rental housing made available under the project;

16          (6) Limit the number of homeowners authorized to take part  
17          in the project to ten per census tract, in order to  
18          ensure that no particular district or community is  
19          unduly burdened by a sudden influx of homeless  
20          families holding rental contracts with qualified  
21          homeowners under the project; and



1           (7) Have a long-term purpose of developing the framework  
2           that will allow the project to be implemented  
3           statewide.

4           SECTION 3. (a) The executive director of the Hawaii  
5 housing finance and development corporation shall appoint a Hale  
6 Kokua project coordinator to carry out the purposes of this Act.  
7 The project coordinator may be assisted by an administrative  
8 assistant and one clerical staff member, both of whom shall be  
9 appointed by the executive director without regard to chapter  
10 76, Hawaii Revised Statutes. The project coordinator, with the  
11 approval of the executive director, may contract with private  
12 entities to carry out the duties and responsibilities of the  
13 project.

14           (b) Under the supervision of the executive director, the  
15 duties of the Hale Kokua project coordinator shall include:

16           (1) Carrying out the requirements of the Hale Kokua  
17           project under this Act;

18           (2) Developing and adopting the requirements and  
19           qualifications, registration, background check,  
20           initial screening and follow-up post-placement  
21           procedures necessary to determine the project's



1 ability to make rental payments and need for social  
2 services and referrals for homeless families and  
3 individuals to qualify them as tenants under this  
4 project. The project coordinator shall prioritize the  
5 placement of homeless families living in parks, cars,  
6 campgrounds, on the streets, or other public areas,  
7 into rental units under this project;

8 (3) Developing and adopting the requirements,  
9 qualifications, and registration procedures necessary  
10 for property owners who provide rental housing to  
11 qualified homeless tenants; provided that priority  
12 shall be given to property owners not requesting  
13 construction grants;

14 (4) Developing appropriate waivers of liability and  
15 adopting the procedures necessary to place qualified  
16 homeless tenants with property owners participating in  
17 the project; provided that participating property  
18 owners shall have the opportunity to conduct  
19 interviews and make the final tenant selection from  
20 lists of prospective tenants compiled by the project  
21 coordinator;



1 (5) Establishing the procedures and requirements necessary  
2 for the disbursement of building improvement grants  
3 and rental subsidies to property owners participating  
4 in the project;

5 (6) Working with the counties to develop and propose  
6 uniform incentives, including real property tax  
7 waivers or reductions, and exemptions in zoning or  
8 building code requirements, to encourage and  
9 facilitate the participation of property owners;

10 (7) Monitoring the financial status and progress of  
11 recovery of the homeless tenants and cooperating with  
12 other agencies in establishing and coordinating self-  
13 help, job training, and other self-improvement  
14 programs for the homeless;

15 (8) Promoting and assisting in the development of  
16 employer-employee relationships between homeless  
17 tenants and participating property owners, including  
18 but not limited to tenant caretaker, housekeeper, or  
19 groundskeeper employment situations;





1           (9)   Assisting homeless families and individuals wishing to  
2               return or relocate to out-of-state locations to carry  
3               out their relocation;

4           (10)   Securing financial, in-kind, and administrative  
5               assistance from law enforcement and other state and  
6               county agencies and the private sector to implement  
7               the project;

8           (11)   Securing funding assistance from federal agencies and  
9               programs involved in housing development, job-  
10              training, or homeless assistance;

11          (12)   Reporting monthly to the homeless housing assistance  
12              coordinating committee; and

13          (13)   Monitoring the overall progress of the Hale Kokua  
14              project, and collecting annual statistics on the  
15              numbers of homeless individuals, homeless families,  
16              and homeless children housed by the project, using  
17              measurement systems that are aligned with national  
18              surveys and studies on homelessness.

19          SECTION 4.   (a)   There is established a homeless housing  
20              assistance coordinating committee, which shall consist of eleven  
21              members to provide advisory assistance to the Hale Kokua project



1 coordinator in implementing the provisions of this Act. The  
2 committee shall regularly consult with homeless persons.

3 (b) The members of the homeless housing assistance  
4 coordinating committee shall include:

5 (1) The executive director of the Hawaii housing finance  
6 and development corporation, who shall serve as the ex  
7 officio, voting chairperson of the committee, or the  
8 executive director's designee;

9 (2) The director of human services;

10 (3) The director of labor and industrial relations;

11 (4) The director of health;

12 (5) The superintendent of education;

13 (6) The governor's coordinator on homelessness;

14 (7) A representative of the homeless population who shall  
15 be appointed by the governor; and

16 (8) A representative from each of the four counties who  
17 shall be appointed by the governor from a list of two  
18 nominees per county that is submitted by the mayor of  
19 each county.

20 (c) The members of the committee shall serve without  
21 compensation but shall be reimbursed for necessary expenses,



1 including travel expenses, incurred while attending meetings and  
2 while in the discharge of their responsibilities.

3 SECTION 5. The Hale Kokua project coordinator shall permit  
4 a maximum of ten property owners in each census tract to  
5 participate in the project at any given time, without regard to  
6 the existence or operation of shelters and other facilities that  
7 assist homeless persons in the tract. The project coordinator  
8 shall notify prospective participants registered on the waiting  
9 list in each census tract of the opportunity to participate in  
10 the project as these opportunities arise in each tract.

11 Assistance to any qualified property owner providing rental  
12 housing to any homeless tenant under this Act for a period of  
13 five years shall include but not be limited to at least one of  
14 the following:

15 (1) The payment of up to \$ as a state grant to  
16 offset the cost of renovating, improving, building any  
17 adjoining addition, or constructing any separate  
18 structure upon the premises of the owner's property in  
19 preparation for its use as a homeless assistance unit  
20 under the project;



- 1           (2)   The payment of a \$           monthly state rent subsidy  
2                   to supplement the monthly rental payments made by the  
3                   homeless tenant;
- 4           (3)   Real property tax waivers or rate reductions proposed  
5                   by the project coordinator and approved by the council  
6                   of the county in which the property is located;
- 7           (4)   Zoning and building code exemptions applicable to the  
8                   construction of adjoining or separate dwelling units  
9                   on the owner's property; provided that the county, by  
10                  ordinance, may establish minimum development and  
11                  construction standards for these units and procedures  
12                  for approval thereto; and
- 13          (5)   Other incentives consistent with the purposes of this  
14                  Act that are adopted by the project coordinator to  
15                  incentivize and facilitate the participation of  
16                  property owners in the project.

17          SECTION 6. Any property owner who withdraws from the Hale  
18   Kokua project prior to the expiration of five years from  
19   commencing participation in the project shall return the state  
20   grant for construction improvements within ninety days of the  
21   date of withdrawal. The project coordinator shall effect the



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

6 SECTION 7. The Hawaii housing finance and development  
7 corporation shall adopt rules, pursuant to chapter 91, Hawaii  
8 Revised Statutes, necessary to effectuate the purpose of this  
9 Act; provided that any rules adopted within one year after the  
10 effective date of this Act shall be exempt from the public  
11 notice and public hearing requirements of chapter 91.

12 SECTION 8. The Hawaii housing finance and development  
13 corporation shall prepare interim reports on the status of the  
14 Hale Kokua project after the first year of the project's  
15 operation, which shall be submitted to the legislature no later  
16 than twenty days prior to the convening of each of the regular  
17 sessions of 2019, 2020, 2021, and 2022. The report shall  
18 include the annual statistics referenced in section 3(b)(13) of  
19 this Act and other relevant information.

20 SECTION 9. The Hawaii housing finance and development  
21 corporation shall prepare a final report on the Hale Kokua



1 project after the project has ended. The report shall contain  
2 findings and recommendations, including recommendations on ways  
3 to encourage participating property owners to commit to further  
4 participation in the project, as well as details of the  
5 framework needed to implement the project statewide, and any  
6 proposed legislation, to the legislature no later than twenty  
7 days prior to the convening of the regular session of 2023.

8 SECTION 10. Nothing contained in this Act shall be deemed  
9 to delegate or detract in any way from the functions, powers,  
10 and duties prescribed by law for any other department or agency  
11 of the State or counties, nor to interrupt or preclude the  
12 direct relationships of any such department or agency in the  
13 performance of such functions, powers, and duties.

14 SECTION 11. This Act shall take effect upon its approval,  
15 and shall be repealed on July 1, 2023; provided that the repeal  
16 of this Act shall not affect the right to recover grants under  
17 section 6 of this Act.

18  
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# S.B. NO. 2872

**Report Title:**

Homelessness; HHFDC; Hale Kokua Pilot Project

**Description:**

Establishes a 5-year Hale Kokua pilot project under the Hawaii Housing Finance and Development Corporation to reduce homelessness by incentivizing and assisting private homeowners who set aside existing dwelling units, or construct new or improve existing dwelling units, for rental by families and individuals classified as homeless under the project. Requires interim and final reports to the legislature. Repealed on 7/1/2023.

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