## A BILL FOR AN ACT

RELATING TO HOUSING.

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

1	PART I
2	SECTION 1. The legislature finds that Act 215, Session
3	Laws of Hawaii 2019 (Act 215), required the Hawaii public
4	housing authority to adopt rules, without regard to chapter 91,
5	Hawaii Revised Statutes, to establish a program to reimburse
6	landlords who participate in the section 8 housing choice
7	voucher program to cover repair costs of tenant-caused property
8	damage when the repair costs exceed the tenant's security
9	deposit. Act 215 also made an appropriation to the Hawaii
10	public housing authority for that purpose. On February 20,
11	2020, the Hawaii public housing authority board of directors
12	adopted a set of rules, entitled "Section 8 Housing Choice
13	Voucher Landlord Incentive Program Rules", that provide the
14	structure for this program.
15	The purpose of this part is to provide additional
16	incentives for landlords to participate in the section 8 housing

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1	choice vo	ucher	program by providing financial protections for
2	those lan	dlord	s.
3	SECT	ION 2	. Chapter 356D, Hawaii Revised Statutes, is
4	amended b	y add	ing a new section to part I to be appropriately
5	designate	d and	to read as follows:
6	" <u>§35</u>	6D-	Housing choice voucher landlord incentive
7	program.	<u>(a)</u>	The authority shall adopt rules, without regard
8	to chapte	r 91,	to establish the following incentives for
9	landlords	part	icipating in the tenant-based assistance housing
10	choice vo	ucher	program under section 8 of the United States
11	Housing A	ct of	1937 (42 U.S.C. 1437f):
12	(1)	The	landlord may be reimbursed up to one month of rent
13		at t	he contract rate when the dwelling unit sits
14		vaca	nt:
15		<u>(A)</u>	Between rentals to tenants participating in the
16			section 8 housing choice voucher program; or
17		<u>(B)</u>	When the landlord initially transitions the
18			dwelling unit to a rental under the section 8
19			housing choice voucher program; and
20	(2)	<u>The</u>	landlord may receive a signing bonus of up to one
21		mont	h of rent at the contract rate when the landlord

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1		first joins the section 8 housing choice voucher
2		program by entering into a contract with the authority
3		and securing a tenant participating in the section 8
4		housing choice voucher program for the dwelling unit;
5		provided that a landlord receiving the signing bonus
6		shall not also receive reimbursement under paragraph
7		(1) (B).
8	(b)	The incentives in subsection (a) shall supplement the
9	incentive	offered under the section 8 housing choice voucher
10	landlord :	incentive program established pursuant to Act 215,
11	Session La	aws of Hawaii 2019, to reimburse landlords who
12	participa	te in the section 8 housing choice voucher landlord
13	incentive	program for repair costs of tenant-caused property
14	damage who	en the repair costs exceed the tenant's security
15	deposit.	
16	<u>(c)</u>	The following requirements shall apply to the
17	reimburse	ment for repair costs:
18	(1)	The landlord shall submit a claim to the authority
19		within thirty calendar days of the tenant vacating the
20		dwelling unit;

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1	(2)	The authority may reimburse the landlord up to an
2		amount to be determined by the authority for verified
3		costs to repair the tenant-caused property damage,
4		subject to availability of funding; provided that the
5		costs of repair shall exceed the security deposit; and
6	(3)	Claims that exceed an amount to be determined by the
7		authority shall include an estimate from a licensed
8		contractor setting forth the costs to repair the
9		damages caused by the tenant to the dwelling unit."
10	SECT	ION 3. There is appropriated out of the general
11	revenues	of the State of Hawaii the sum of \$1,450,000 or so much
12	thereof a	s may be necessary for fiscal year 2022-2023 for the
13	cost of t	he incentives established pursuant to section 2 of this
14	Act and A	ct 215, Session Laws of Hawaii 2019, for landlords who
15	participa	te in the tenant-based assistance housing choice
16	voucher p	rogram under section 8 of the United States Housing Act
17	of 1937 (	42 U.S.C. 1437f).
18	The	sum appropriated shall be expended by the Hawaii public
19	housing a	uthority for the purposes of this part.
20		PART II

PART II

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- 1 SECTION 4. The legislature finds that the administrative
- 2 rules applicable to section 8 housing choice voucher program
- 3 leases as administered by the Hawaii public housing authority
- 4 found at title 15, chapter 185, subchapter 3, Hawaii
- 5 Administrative Rules (sections 15-185-41 through 15-185-44,
- 6 Hawaii Administrative Rules) require dwelling units approved for
- 7 lease under the program to meet minimum housing quality
- 8 standards. Similar emergency rules were adopted for application
- 9 to the Hawaii public housing authority pursuant to sections 17-
- 10 2039-41 to 17-2039-44, Hawaii Administrative Rules. Prior to
- 11 approving a lease, the dwelling unit shall be inspected within a
- 12 reasonable time after receipt of the owner's inspection request.
- 13 In addition, the form of the lease shall comply with United
- 14 States Department of Housing and Urban Development regulations
- 15 and state and local law, specify utilities and appliances
- 16 supplied by the owner, and include a federally prescribed
- 17 tenancy addendum. If the dwelling unit is determined to be
- 18 suitable for the program and the lease meets specified
- 19 requirements of the program, the owner and tenant requesting to
- 20 lease the dwelling unit shall be notified and a contract shall
- 21 be executed.

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1	The legislature further finds that specifying a maximum
2	number of days within which the required inspection shall be
3	completed will reflect the prioritization of increasing section
4	8 housing availability and assure landlords and tenants of a
5	more expedited process. The legislature also finds that
6	creating targeted positions and appropriating funds for those
7	positions are necessary to achieve timely inspections and a
8	better coordinated and more responsive program.
9	The purpose of this part is to:
10	(1) Require the Hawaii public housing authority to adopt
11	or amend rules no later than July 1, 2023, to
12	establish a maximum of fifteen days after receipt of
13	an owner's or landlord's inspection request as a
14	reasonable time within which to inspect a dwelling
15	unit for lease under the section 8 housing choice
16	voucher program; and
17	(2) Establish positions within the Hawaii public housing
18	authority and appropriate funds to ensure that
19	prospective dwelling unit inspections are completed

within fifteen days of receipt of a request for lease

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1	approval and to facilitate various aspects of the
2	section 8 housing choice voucher program.
3	SECTION 5. No later than July 1, 2023, the authority shall
4	adopt or amend administrative rules, without regard to chapter
5	91, Hawaii Revised Statutes, to establish a maximum of fifteen
6	days after receipt of an owner's or landlord's inspection
7	request as a reasonable time within which to inspect a dwelling
8	unit for lease under the section 8 housing choice voucher
9	program.
10	SECTION 6. There is appropriated out of the general
11	revenues of the State of Hawaii the sum of \$50,000 or so much
12	thereof as may be necessary for fiscal year 2022-2023 for two
13	full-time equivalent (2.00 FTE) permanent housing quality
14	standards inspector II positions within the Hawaii public
15	housing authority to facilitate, coordinate, and monitor
16	inspections of dwelling units that are the subject of
17	applications for the section 8 housing choice voucher program,
18	and handle related duties.
19	The sum appropriated shall be expended by the Hawaii public
20	housing authority for the purposes of this part.
21	PART III

## H.B. NO. H.D. 3 S.D. 1

- 1 SECTION 7. New statutory material is underscored.
- 2 SECTION 8. This Act shall take effect on July 1, 2022.

#### Report Title:

Housing; Housing Choice Voucher Landlord Incentive Program; Public Assistance Recipients; Section 8 Housing Choice Voucher Program; Landlord Incentives; Hawaii Public Housing Authority; Positions; Appropriation

#### Description:

Establishes the housing choice voucher landlord incentive program. Requires HPHA to adopt rules without regard to chapter 91, HRS, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. Requires HPHA to adopt or amend rules no later than 7/1/2023 to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program. Appropriates funds. (CD1)

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