

JAN 21 2022

A BILL FOR AN ACT

RELATING TO SHORT-TERM RENTAL ASSISTANCE.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . SHORT-TERM RENTAL ASSISTANCE PROGRAM

5 §356D- Short-term rental assistance special fund. (a)

6 There is established a special fund known as the short-term
7 rental assistance special fund to be administered by the
8 authority into which shall be deposited legislative
9 appropriations.

10 (b) Moneys from the fund shall be expended by the
11 authority for the sole purpose of providing rental assistance
12 pursuant to this part.

13 (c) The authority may contract all or a portion of this
14 program to a county or non-profit organization. All contracts
15 for the management of rental assistance under this program shall
16 be exempt from chapter 103. The authority shall establish
17 criteria for the selection of contractors.



1 §356D- Short-term rental assistance program. (a) The
2 authority may provide up to twenty-four months of rental
3 assistance and other eligible non-rent housing expenses during
4 any three-year period to an individual or family whose income
5 does not exceed fifty per cent of the area median income.

6 (b) Subject to the requirements of this section, the
7 authority may set a maximum amount or percentage of rental
8 assistance that a program participant may receive, a maximum
9 number of months that a program participant may receive rental
10 assistance, or a maximum number of times that a program
11 participant may receive rental assistance. The authority may
12 also require program participants to share in the costs of the
13 participant's rent.

14 (c) Except for receipt of public assistance in the form of
15 a one-time payment of rent in arrears on the tenant's portion of
16 the rental payment and other eligible non-rent housing expenses
17 related to the rent in arrears, rental assistance cannot be
18 provided to a current or prospective program participant who is
19 receiving tenant-based rental assistance, or living in a housing
20 unit receiving project-based rental assistance or operating
21 assistance, through other public sources.



1 (d) The authority shall not provide rental assistance
2 unless the rent does not exceed the fair market rent established
3 by the United States Department of Housing and Urban Development
4 and complies with the Department of Housing and Urban
5 Development's standard of rent reasonableness.

6 For purposes of calculating rent under this section, the
7 rent shall equal the sum of the total monthly rent for the unit;
8 any fees required for occupancy under the lease, excluding late
9 fees and pet fees; and, if the tenant pays separately for
10 utilities, the monthly allowance established by the authority
11 for utilities, excluding telephone.

12 (e) For rental assistance payments made to the owner of a
13 property for which the authority is providing rental assistance,
14 the authority may make rental assistance payments only to an
15 owner with whom the authority has entered into a rental
16 assistance agreement. The rental assistance agreement shall:

- 17 (1) Establish the terms under which rental assistance will
18 be provided, including the requirements of this
19 section;
- 20 (2) Include a provision requiring the owner to provide the
21 authority with a copy of any notice issued to the



1 program participant to vacate the housing unit or any
2 complaint used under state law to commence an eviction
3 action against the program participant, issued by or
4 on behalf of the owner during the term of the
5 agreement; and

6 (3) Contain the same payment due date, grace period, and
7 late payment penalty requirements as the program
8 participant's lease.

9 The authority shall make timely payments to each owner in
10 accordance with the applicable rental assistance agreement
11 entered into pursuant to this subsection.

12 (f) Except for the one-time payment for rent in arrears
13 permitted in subsection (c), each program participant receiving
14 rental assistance shall possess a written lease for the rental
15 unit, signed by the owner and program participant. For rental
16 assistance provided solely for rent in arrears, the owner and
17 renter shall sign a certified affidavit documenting any oral
18 agreement, under penalty of perjury.

19 (g) A program participant who receives tenant-based rental
20 assistance may select a housing unit in which to live and may
21 move to another unit or building and continue to receive rental



1 assistance; provided that the program participant shall continue
2 to meet the program requirements. The authority may require
3 that a program participant live within a particular area for the
4 period in which the rental assistance is provided.

5 A rental assistance agreement between the authority and an
6 owner shall terminate and no further rental assistance payments
7 under that agreement shall be made if:

8 (1) The program participant moves out of the housing unit
9 for which the program participant is receiving rental
10 assistance pursuant to this part;

11 (2) The applicable lease terminates and is not renewed; or

12 (3) The program participant becomes ineligible to receive
13 rental assistance.

14 (h) If the authority identifies a permanent housing unit
15 that meets the requirements of this subsection and becomes
16 available before a program participant is identified to lease
17 the unit, the authority may enter into a rental assistance
18 agreement with the owner to reserve the unit and subsidize the
19 unit's rent in accordance with the following requirements:

20 (1) The rental assistance agreement may cover one or more
21 permanent housing units in the same building. Each



1 assisted unit may only be occupied by program
2 participants, except as provided under paragraph (4)
3 of this subsection;

4 (2) The authority may pay up to one hundred per cent of
5 the first month's rent; provided that a program
6 participant shall sign a lease and move into the unit
7 before the end of the month for which the first
8 month's rent is paid. The rent paid before a program
9 participant moves into the unit shall not exceed the
10 rent to be charged under the program participant's
11 lease and shall be included in the authority's
12 determination of the total amount of rental assistance
13 to provide to a program participant;

14 (3) The authority may only make monthly rental assistance
15 payments for each whole or partial month that an
16 assisted unit is leased to a program participant.
17 When a program participant moves out of an assisted
18 unit, the authority may pay the next month's rent for
19 the unit as a payment of the first month's rent for a
20 new program participant under paragraph (2) of this
21 subsection;



1 (4) The program participant's lease shall not condition
2 the term of occupancy to the provision of rental
3 assistance payments. If the program participant is
4 later determined to be ineligible or reaches the
5 maximum number of months for which the authority has
6 agreed to provide rental assistance, the authority
7 shall suspend or terminate the rental assistance
8 payments for the unit. If the payments are suspended
9 pursuant to this paragraph, the individual or family
10 may remain in the assisted unit as permitted under the
11 lease, and the authority may resume payments if the
12 individual or family again becomes eligible and needs
13 further rental assistance. If the payments are
14 terminated pursuant to this paragraph, the rental
15 assistance may be transferred to another available
16 unit in the same building; provided that this other
17 unit shall meet all of the requirements of this
18 section; and

19 (5) The rental assistance agreement shall have an initial
20 term of one year. When a new program participant
21 moves into an assisted unit, the term of the rental



1 assistance agreement may be extended to cover the
2 initial term of the program participant's lease. If
3 the program participant's lease is renewed, the rental
4 assistance agreement may be renewed or extended, as
5 needed, up to the maximum number of months for which
6 the program participant remains eligible.

7 (i) The limits on the rental assistance provided under
8 this section shall apply to the total assistance that an
9 individual may receive, either as an individual or as part of a
10 family.

11 (j) As used in this section:

12 "Assisted unit" means a housing unit for which the
13 authority and owner have entered into a rental assistance
14 agreement.

15 "Eligible non-rent housing expenses" includes security
16 deposits, utility payments, landlord incentives, administrative
17 costs, and management fees."

18 SECTION 2. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2022-2023 to be
21 deposited into the short-term rental assistance special fund.



S.B. NO. 2811

1 SECTION 3. There is appropriated out of the short-term
2 rental assistance special fund of the State of Hawaii the sum of
3 \$ or so much thereof as may be necessary for fiscal
4 year 2022-2023 for the short-term rental assistance program.

5 The sum appropriated shall be expended by the Hawaii public
6 housing authority for the purposes of this Act.

7 SECTION 4. This Act shall take effect on July 1, 2022.

8

INTRODUCED BY: _____

A handwritten signature in black ink, appearing to read "S. M. ...", is written over a horizontal line that follows the text "INTRODUCED BY: _____".

S.B. NO. 2811

Report Title:

Hawaii Public Housing Authority; Housing; Short-Term Rental Assistance; Short-Term Rental Assistance Fund; Appropriation

Description:

Establishes the short-term rental assistance fund and short-term rental assistance program. Makes an appropriation.

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