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## 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



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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2 Hawaii 2006; however, the program was later repealed.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



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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;



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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 housing assistance program.

14       (c) Assistance to any qualified property owner providing  
15       rental housing to any homeless tenant under the housing  
16       assistance program for a period of five years shall include but  
17       not be limited to at least one of the following:

18       (1) The payment of up to \$                    as a state grant to  
19       offset the cost of constructing any separate structure  
20       upon the premises of the owner's property in



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



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1 codes and all other county permitting requirements;  
2 provided further that the county, by ordinance, may  
3 establish minimum development and construction  
4 standards for these accessory dwelling units and  
5 procedures for approval thereto; and  
6 (6) Other incentives consistent with the purposes of the  
7 program that are adopted by the housing assistance  
8 program coordinator to incentivize and facilitate the  
9 participation of property owners in the housing  
10 assistance program.

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



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

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

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

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



1 oversight over the housing assistance program, including the  
2 provision of grants and subsidies and advisory assistance to the  
3 housing assistance program coordinator in implementing the  
4 program.

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

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

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

11 (3) The director of health;

12 (4) The director taxation;

13 (5) The superintendent of education;

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

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

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

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





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

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

18        **§346- Housing assistance program coordinator.** (a) The  
 19 director shall appoint a housing assistance program coordinator  
 20 to carry out the housing assistance program. The housing  
 21 assistance program coordinator may be assisted by one



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1 administrative assistant and one clerical staff member, both of  
2 whom shall be appointed by the director without regard to  
3 chapter 76. The housing assistance program coordinator, with  
4 the approval of the director, may contract with private entities  
5 to carry out the duties and responsibilities of the housing  
6 assistance program.

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

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



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- 1           on the streets, or other public areas, into rental  
2           accessory dwelling units under the program;
- 3           (3) Developing and adopting the requirements,  
4           qualifications, and registration procedures necessary  
5           for property owners who provide rental housing to  
6           qualified homeless tenants; provided that priority  
7           shall be given to property owners not requesting  
8           construction grants;
- 9           (4) Developing appropriate waivers of liability and  
10           adopting procedures necessary to place qualified  
11           tenants who are homeless with property owners  
12           participating in the housing assistance program;  
13           provided that each participating property owner shall  
14           have the opportunity to conduct interviews and make  
15           the final tenant selection from a list of prospective  
16           tenants compiled by the housing assistance program  
17           coordinator;
- 18           (5) Establishing the procedures and requirements necessary  
19           for the disbursement of building improvement grants  
20           and rental subsidies to property owners participating  
21           in the housing assistance program;



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



1           county agencies and the private sector to implement  
2           the housing assistance program;  
3       (11) Securing funding assistance from federal agencies and  
4           programs involved in housing development, job-  
5           training, or homeless assistance;  
6       (12) Reporting monthly to the housing assistance program  
7           commission; and  
8       (13) Monitoring the overall progress of the housing  
9           assistance program and collecting annual statistics on  
10          the numbers of homeless individuals, homeless  
11          families, and homeless children housed by the program,  
12          using measurement systems that are aligned with  
13          national surveys and studies on homelessness.  
14       (c) The housing assistance program coordinator shall  
15       prepare interim reports on the status of the housing assistance  
16       program in each year after the first year of the program's  
17       operation, which shall be submitted to the legislature no later  
18       than twenty days prior to the convening of each regular session  
19       while the program is in existence. The reports shall include  
20       the annual statistics required by subsection (b) (13) and other  
21       relevant information.



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

11        SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$                    or so  
13 much thereof as may be necessary for fiscal year 2022-2023 for  
14 the purposes of this Act.

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

17        SECTION 4. New statutory material is underscored.

18        SECTION 5. This Act shall take effect on July 1, 2022, and  
19 shall be repealed on June 30, 2027; provided that the housing  
20 assistance program commission shall be repealed on June 30,

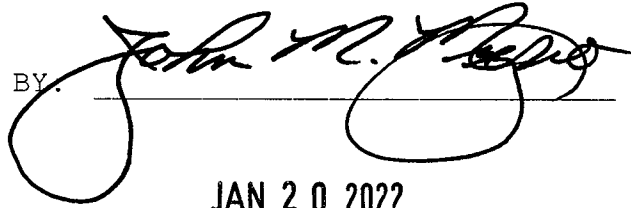


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1 2024, or upon approval of two thousand accessory dwelling units  
2 pursuant to this Act, whichever is sooner.

3

INTRODUCED BY \_\_\_\_\_



JAN 20 2022



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**Report Title:**

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

**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 families or individuals who are homeless.

Establishes the temporary housing assistance program commission and positions to support the housing assistance program.

Appropriates funds. Sunsets 6/30/2027.

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

