JAN 2 1 2022

## A BILL FOR AN ACT

RELATING TO HOUSING.

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

I	PART I
2	SECTION 1. The legislature finds that low-income
3	individuals experience extreme difficulty in finding affordable
4	rentals in Hawaii, particularly when housing vacancy
5	advertisements prevent low-income individuals with housing
6	vouchers from being considered as tenants by stating "no Section
7	8 accepted" or "Section 8 need not apply." Local and national
8	news reports have documented that landlords often reject
9	prospective tenants based on their use of housing vouchers or
10	other forms of housing assistance, or the requirements
11	associated with the prospective tenants' participation in a
12	housing program.
13	The purpose of this part is to prohibit discrimination in
14	advertisements for available rental units based on receipt of
15	income from a public assistance, rental assistance, or housing
16	subsidy program, or requirements related to participation in
17	such programs.

1	SECTION 2. Chapter 521, Hawaii Revised Statutes, is
2	amended by adding a new section to be appropriately designated
3	and to read as follows:
4	"§521- Negative advertising relating to source of
5	income prohibited; remedies. (a) A landlord shall not make,
6	print, publish, display, or cause to be made, printed,
7	published, or displayed any communication, notice, or
8	advertisement relating to the rental or lease of a dwelling unit
9	that specifically states that persons utilizing any particular
10	source of income, as defined in section 521-8, may not or should
11	not apply.
12	(b) Nothing in this section shall prohibit a landlord from
13	determining the ability of a potential tenant to pay rent or
14	meet other financial obligations by:
15	(1) Verifying, in a commercially reasonable manner, the
16	source and amount of income of a potential tenant; or
17	(2) Evaluating, in a commercially reasonable manner, the
18	stability, security, background, and creditworthiness
19	of the potential tenant or any source of income of the
20	potential tenant.

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2 in providing rental housing to recipients of federal, state, or 3 local public assistance, rental assistance, or housing subsidy 4 programs, and nothing in this section shall be deemed to require 5 any person or landlord to so participate; provided that the 6 denial of a potential tenant shall not be based on the potential 7 tenant's source of income. 8 (d) Any person or potential tenant may recover a \$250 9 penalty against a landlord determined by the court to have 10 violated this section for the first time. The court shall 11 impose a \$500 penalty in favor of a person or potential tenant 12 for any subsequent violation of this section by the landlord. 13 The court may also order any injunctive or other equitable relief as it deems proper. No party shall be awarded attorney's 14 15 fees or costs in any action under this section." 16 SECTION 3. Section 521-8, Hawaii Revised Statutes, is

(c) Landlords are encouraged to evaluate and participate

""Source of income" means any lawful and verifiable source

amended by adding a new definition to be appropriately inserted

- 20 of money paid directly, indirectly, or on behalf of a person,
- 21 including:

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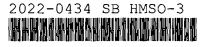
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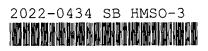
and to read as follows:

1	(1)	Income derived from any lawful profession or
2		occupation; and
3	(2)	Any lawful income, benefit, or subsidy derived from
4		child support; alimony; social security; supplemental
5		security income; a military housing allowance; medical
6		or veterans assistance; and any federal, state, or
7		local public assistance, rental assistance, or housing
8		subsidy program, including the section 8 housing
9		choice vouchers program authorized by title 42 United
10		States Code section 1437, and any requirements
11		associated with the public assistance, rental
12		assistance, or housing subsidy program."
13		PART II
14	SECT	ION 4. The legislature finds that Act 215, Session
15	Laws of H	awaii 2019 (Act 215), required the Hawaii public
16	housing a	uthority to adopt rules, without regard to chapter 91,
17	Hawaii Re	vised Statutes, to establish a program to reimburse
18	landlords	who participate in the section 8 housing choice
19	voucher p	rogram to cover repair costs of tenant-caused property
20	damage wh	en the repair costs exceed the tenant's security
21	deposit.	Act 215 also made an appropriation to the Hawaii

- 1 public housing authority for that purpose. On February 20,
- 2 2020, the Hawaii public housing authority board of directors
- 3 adopted a set of rules, entitled "Section 8 Housing Choice
- 4 Voucher Landlord Incentive Program Rules", that provide the
- 5 structure for this program.
- 6 The purpose of this part is to provide additional
- 7 incentives for landlords to participate in the section 8 housing
- 8 choice voucher program by providing financial protections for
- 9 those landlords.
- 10 SECTION 5. Chapter 356D, Hawaii Revised Statutes, is
- 11 amended by adding a new section to part I to be appropriately
- 12 designated and to read as follows:
- 13 "\$356D- Housing choice voucher landlord incentive
- 14 program. (a) The authority shall adopt rules, without regard to
- 15 chapter 91, to establish the following incentives for landlords
- 16 participating in the tenant-based assistance housing choice
- 17 voucher program under section 8 of the United States Housing Act
- **18** of 1937 (42 U.S.C. 1437f):
- 19 (1) The landlord may be reimbursed up to one month of rent
- at the contract rate when the dwelling unit sits
- 21 vacant:



1		(A)	Between rentals to tenants participating in the
2			section 8 housing choice voucher program; or
3		<u>(B)</u>	When the landlord initially transitions the
4			dwelling unit to a rental under the section 8
5			housing choice voucher program; and
6	(2)	The	landlord may receive a signing bonus of up to one
7		mont	th of rent at the contract rate when the landlord
8		firs	t joins the housing choice voucher program by
9		ente	ring into a contract with the authority and
10		secu	ring a tenant participating in the housing choice
11		vouc	ther program for the dwelling unit; provided that a
12		land	llord receiving the signing bonus may not also
13		rece	eive reimbursement under paragraph (1)(B).
14	(b)	The	incentives in subsection (a) shall supplement the
15	incentive	offe	red under the section 8 housing choice voucher
16	landlord	incer	tive program established pursuant to Act 215,
17	Session L	aws c	f Hawaii 2019, to reimburse landlords who
18	participa	te in	the housing choice voucher program for repair
19	costs of	tenan	t-caused property damage when such repair costs
20	exceed th	e ter	ant's security deposit. The following
21	requireme	nts a	pply to the reimbursement of repair costs:



1	(1)	The landlord shall submit a claim to the authority
2		within thirty calendar days of the tenant vacating the
3		dwelling unit;
4	(2)	The authority may reimburse the landlord up to an
5		amount to be determined by the authority for verified
6		costs to repair the tenant-caused property damage,
7		subject to availability of funding; provided that the
8		costs exceed the security deposit; and
9	(3)	Claims that exceed an amount to be determined by the
10		authority shall include an estimate from a licensed
11		contractor setting forth the costs to repair the
12		tenant-caused damages to the dwelling unit."
13	SECT	ION 6. There is appropriated out of the general
14	revenues	of the State of Hawaii the sum of \$ or so
15	much there	eof as may be necessary for fiscal year 2022-2023 for
16	the cost	of the incentives established pursuant to section
17	356D- ,	Hawaii Revised Statutes, and Act 215, Session Laws of
18	Hawaii 20	19, for landlords who participate in the tenant-based
19	assistance	e housing choice voucher program under section 8 of the
20	United Sta	ates Housing Act of 1937 (42 U.S.C. 1437f).

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2	housing authority for the purposes of this part.
3	PART III
4	SECTION 7. The legislature finds that the administrative
5	rules applicable to section 8 housing choice voucher program
6	leases found at title 15, chapter 185, subchapter 3, Hawaii
7	Administrative Rules (sections 15-185-41 through 15-185-44)
8	require dwelling units approved for lease under the program to
9	meet minimum housing quality standards. Prior to approving a
10	lease, the dwelling unit must be inspected within a reasonable
11	time after receipt of the owner's inspection request. In
12	addition, the form of the lease must comply with U.S. Departmen
13	of Housing and Urban Development regulations and state and local
14	law, specify utilities and appliances supplied by the owner, and
15	include a federally prescribed tenancy addendum. If the
16	dwelling unit is determined to be suitable for the program and
17	the lease meets specified requirements of the program, the owner
18	and family requesting to lease the dwelling unit must be
19	notified and a contract executed.
20	The legislature further finds that specifying a maximum
21	number of days within which the required inspection shall be

The sum appropriated shall be expended by the Hawaii public

2	8 housing availability and assure landlords and families of a
3	more expedited process. The legislature also finds that
4	creating targeted positions and appropriating funds for those
5	positions are necessary to achieve timely inspections and a
6	better coordinated and more responsive program.
7	The purpose of this part is to:
8	(1) Require that the Hawaii public housing authority adopt
9	rules to establish a maximum of fifteen days after
10	receipt of an owner's or landlord's inspection request
11	as a reasonable time within which to inspect a
12	dwelling unit for lease under the section 8 housing
13	choice voucher program; and
14	(2) Establish positions within the Hawaii public housing
15	authority and appropriate funds to ensure that

prospective dwelling unit inspections are completed

approval and to facilitate various aspects of the

within fifteen days of receipt of a request for lease

1 completed will reflect the prioritization of increasing section

section 8 housing choice voucher program.

SECTION 8. The authority shall adopt or amend

administrative rules, without regard to chapter 91, Hawaii

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1	Revised Statutes, to establish a maximum of fifteen days after
2	receipt of an owner's or landlord's inspection request as a
3	reasonable time within which to inspect a dwelling unit for
4	lease under the section 8 housing choice voucher program.
5	SECTION 9. There is appropriated out of the general
6	revenues of the State of Hawaii the sum of \$360,500 or so much
7	thereof as may be necessary for fiscal year 2022-2023 for the
8	Hawaii public housing authority, to be allocated as follows:
9	(1) \$130,000 for two full-time equivalent (2.00 FTE)
10	permanent housing quality standards inspector II
11	positions to facilitate, coordinate, and monitor
12	inspections of dwelling units that are the subject of
13	applications for the section 8 housing choice voucher
14	program, and handle related duties; and
15	(2) \$230,500 for three full-time equivalent (3.00 FTE)
16	permanent public housing specialist II positions to
17	facilitate, coordinate, and monitor various aspects of
18	the section 8 housing choice voucher program.
19	The sum appropriated shall be expended by the Hawaii public
20	housing authority for the purposes of this part.
21	PART IV

- 1 SECTION 10. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 11. This Act shall take effect on July 1, 2022.

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INTRODUCED BY:



#### Report Title:

Housing for Public Assistance Recipients; Source of Income; Negative Advertising; Section 8 Housing Choice Voucher Program; Landlord Incentives; Hawaii Public Housing Authority; Positions; Appropriation

#### Description:

Part I prohibits negative advertising relating to source of income for available rental units and provides potential tenants with remedies against a landlord for a violation of the prohibition. Part II requires the Hawaii public housing authority to adopt rules without regard to chapter 91, Hawaii Revised Statutes, 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. Part III requires that the Hawaii public housing authority adopt rules 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.

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