

JAN 21 2022

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 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.



1 (c) Landlords are encouraged to evaluate and participate
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
14 relief as it deems proper. No party shall be awarded attorney's
15 fees or costs in any action under this section."

16 SECTION 3. Section 521-8, Hawaii Revised Statutes, is
17 amended by adding a new definition to be appropriately inserted
18 and to read as follows:

19 "Source of income" means any lawful and verifiable source
20 of money paid directly, indirectly, or on behalf of a person,
21 including:



- 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."

PART II

14 SECTION 4. The legislature finds that Act 215, Session
15 Laws of Hawaii 2019 (Act 215), required the Hawaii public
16 housing authority to adopt rules, without regard to chapter 91,
17 Hawaii Revised Statutes, to establish a program to reimburse
18 landlords who participate in the section 8 housing choice
19 voucher program to cover repair costs of tenant-caused property
20 damage when 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
20 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 (B) 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 month of rent at the contract rate when the landlord
8 first joins the housing choice voucher program by
9 entering into a contract with the authority and
10 securing a tenant participating in the housing choice
11 voucher program for the dwelling unit; provided that a
12 landlord receiving the signing bonus may not also
13 receive reimbursement under paragraph (1)(B).

14 (b) The incentives in subsection (a) shall supplement the
15 incentive offered under the section 8 housing choice voucher
16 landlord incentive program established pursuant to Act 215,
17 Session Laws of Hawaii 2019, to reimburse landlords who
18 participate in the housing choice voucher program for repair
19 costs of tenant-caused property damage when such repair costs
20 exceed the tenant's security deposit. The following
21 requirements apply to the reimbursement of repair costs:



1 completed will reflect the prioritization of increasing section
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
16 prospective dwelling unit inspections are completed
17 within fifteen days of receipt of a request for lease
18 approval and to facilitate various aspects of the
19 section 8 housing choice voucher program.

20 SECTION 8. The authority shall adopt or amend
21 administrative rules, without regard to chapter 91, Hawaii



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.

4

INTRODUCED BY:

 _____



S.B. NO. 2222

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.

