
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



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2 Hawaii 2006; however, the program was later repealed.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 a housing assistance program that authorizes grants and monthly
9 rental subsidies to private property owners who set aside any
10 existing rental space or improve or construct a dwelling unit
11 for the purpose of renting their units to families or
12 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



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 be appropriately
9 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;



1 (2) Be implemented by a housing assistance program
2 coordinator, who shall be appointed by the director,
3 with the 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



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 that withdraws from the
12 housing assistance program prior to the expiration
13 of _____ years from the time the property owner commences
14 participation in the program or leaves an accessory dwelling
15 unit for more than one year shall return any state grant for
16 construction or renovation improvements within _____ days of the
17 date of withdrawal. The department may assess a property owner
18 a penalty of up to three times the rental amount received for
19 each month the property owner receives a rental subsidy during
20 which time the accessory dwelling unit is vacant or the
21 accessory dwelling unit is rented to an individual or family who



1 does not meet the requirements of the housing assistance
2 program. The housing assistance program coordinator shall act
3 to recover the grant, including but not limited to filing liens
4 against 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
11 before _____, shall be exempt from the public notice and
12 public 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 an
9 ex officio, voting member and chairperson of the
10 committee;

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

12 (3) The director of health;

13 (4) The director of taxation;

14 (5) The superintendent of education;

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

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

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

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



- 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 implement the housing assistance program. The housing
 21 assistance program coordinator may be assisted by one



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,



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;



- 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 2023-2024 and
14 the same sum or so much thereof as may be necessary for fiscal
15 year 2024-2025 for the purposes of this Act.

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

18 SECTION 4. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 2023, and
20 shall be repealed on June 30, 2029; provided that the housing
21 assistance program commission shall be repealed on June 30,

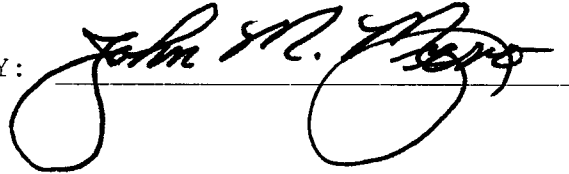


H.B. NO. 791

1 2025, or upon approval of two thousand accessory dwelling units
2 pursuant to this Act, whichever is sooner.

3

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "John M. Perry", is written over a horizontal line.

JAN 20 2023



H.B. NO. 791

Report Title:

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 6/30/2029.

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

