

1 "Disaster" includes floods, hurricanes, earthquakes, and
2 other causes as determined by the department.

3 "Historically vulnerable area" means a geographic area
4 identified by historical data to have experienced significant
5 impacts from disasters.

6 "Nonprofit organization" means an entity that is recognized
7 as a tax-exempt organization under the Internal Revenue Code and
8 is registered to do business in the State.

9 "Program" means the strengthen Hawaii homes program.

10 "Residential property" means an owner-occupied,
11 single-family, primary residence in the State. "Residential
12 property" does not include a condominium or mobile home.

13 **§ -3 Strengthen Hawaii homes program; established. (a)**

14 There is established within the department the strengthen Hawaii
15 homes program, under which the department shall provide
16 financial support to modify and strengthen existing residential
17 properties located in historically vulnerable areas to improve
18 their resilience to disasters and reduce potential insurance
19 liabilities.

20 (b) Implementation of the program shall be subject to the
21 availability of funds. The department shall use its best



1 efforts to obtain grants or other funding from the federal
2 government or other funding sources to supplement any moneys
3 appropriated by the legislature to the department for the
4 program.

5 (c) Nothing in this chapter shall be construed as creating
6 an entitlement for residential property owners or obligating the
7 State in any way to fund the inspection, construction, or
8 retrofitting of residential properties.

9 § -4 Grants; applications; eligibility. (a) A grant
10 application shall be filed with the department in the form and
11 manner prescribed by the department, along with any applicable
12 fees.

13 (b) To be eligible for a grant under the program, a person
14 shall:

15 (1) Demonstrate that the person possesses residential
16 property located in a historically vulnerable area;
17 provided that, if an application is denied because the
18 department finds that the property is not located in a
19 historically vulnerable area, the applicant may appeal
20 that finding as provided by rule;



- 1 (2) Establish that the residential property is an
2 owner-occupied, single-family, primary residence and
3 not a condominium or mobile home;
- 4 (3) Establish that the residential property is in good
5 repair; provided that this paragraph shall not
6 disqualify residential property that has been damaged
7 by a disaster;
- 8 (4) Consult with an evaluator to conduct the property
9 evaluation required by section -6, and submit the
10 results of the evaluation to the department;
- 11 (5) Agree to allow the department to inspect or reinspect
12 the residential property, including by conducting
13 random inspections or reinspections; and
- 14 (6) Meet any other requirements set forth by the
15 department for the specific grant the applicant is
16 seeking; provided that the department shall not
17 establish requirements relating to a residential
18 property's insurance coverage.
- 19 (c) The department may require a person to submit
20 documentation or a written affirmation to verify that the person
21 meets the requirements of subsection (b).



1 (d) Grant applications shall be accepted on a first-come,
2 first-served basis within each income tier established by the
3 department.

4 (e) Priority for the award of grants shall be given to
5 applicants:

6 (1) Whose households have an income of not more than one
7 hundred sixty per cent of the area median income as
8 determined by the United States Department of Housing
9 and Urban Development; and

10 (2) Who meet any other criteria that the department
11 determines is appropriate to meet the purposes of the
12 program.

13 (f) Any entity that provides moneys to the program may
14 establish additional rules and guidelines under which those
15 moneys may be used; provided that the rules and guidelines do
16 not violate any state or federal law.

17 (g) The department shall clearly explain the terms of each
18 grant offered under the program for the purpose of ensuring
19 transparency and equity in the allocation of funds.

20 (h) Documents, materials, and other information submitted
21 to the department by residential property owners or insurance



1 companies in support of a grant application shall be
2 confidential and, notwithstanding any other law to the contrary,
3 shall not be:

- 4 (1) Subject to disclosure under chapter 92F;
- 5 (2) Subject to subpoena;
- 6 (3) Subject to discovery; or
- 7 (4) Admissible as evidence in any private civil action.

8 **§ -5 Availability of funds for nonprofit organizations.**

9 (a) If the department obtains grants or other funds under rules
10 that authorize the funds to be issued to nonprofit
11 organizations, then the department, by contract, may make moneys
12 available to nonprofit organizations that retrofit residential
13 properties to resist loss due to disasters.

14 (b) Any contract with a nonprofit organization under this
15 section shall require the nonprofit organization to agree to:

- 16 (1) Administer the moneys under the same terms that would
17 be applicable if the moneys were administered by the
18 department under this chapter; and
- 19 (2) Allow the department, legislative committees and their
20 staff, and the auditor full access to the nonprofit
21 organization's records, reports, files, and other



1 related documents and information for the purposes of
2 monitoring, measuring the effectiveness of, and
3 ensuring the proper expenditure of funds.

4 § -6 Evaluation of residential property by evaluator.

5 (a) A person who owns residential property and who seeks to
6 retrofit that residential property under this chapter shall
7 select an evaluator from a list of evaluators published by the
8 department pursuant to section -7 to conduct the evaluation
9 required by subsection (b).

10 (b) The evaluator shall examine the person's residential
11 property and shall identify all improvements necessary for the
12 residential property to achieve the following standards:

13 (1) Insurance Institute for Business and Home Safety
14 fortified roof;

15 (2) Insurance Institute for Business and Home Safety
16 fortified silver;

17 (3) Insurance Institute for Business and Home Safety
18 fortified gold; or

19 (4) Any similar standard approved by the department,
20 or any successor designation; provided that if the evaluator
21 determines that the residential property is not able to be



1 improved to meet any of the standards described in this
2 subsection, then the evaluator shall make a determination that
3 the residential property is not mitigable and the residential
4 property owner shall not be eligible for a grant under this
5 chapter.

6 (c) The residential property owner shall pay the evaluator
7 a fee, which shall be set by the department by rule.

8 § -7 **Evaluators; eligibility; listing.** (a) To serve as
9 an evaluator under this chapter, a person shall:

10 (1) Meet all program requirements established under this
11 chapter or the rules adopted under this chapter;

12 (2) Be in good standing with:

13 (A) The Insurance Institute for Business and Home
14 Safety and maintain an active Insurance Institute
15 for Business and Home Safety certification as a
16 fortified home evaluator; or

17 (B) Another organization approved by the department;

18 (3) Agree to follow program requirements established under
19 this chapter or the rules adopted under this chapter;

20 (4) Maintain with the department proof that the evaluator:

21 (A) Is registered to do business in the State; and



- 1 (B) Has an active Insurance Institute for Business
2 and Home Safety fortified home evaluator
3 certification or other certification approved by
4 the department;
- 5 (5) Maintain current and accurate contact information with
6 the department;
- 7 (6) Pay all fees associated with any certifications
8 required under this chapter, including any training
9 fees;
- 10 (7) Not have a financial interest in any project which the
11 person inspects for designation purposes pursuant to
12 this chapter;
- 13 (8) Not be a contractor or supplier of any materials,
14 products, or systems installed in any home that the
15 person inspects for purposes of this chapter;
- 16 (9) Not be a sales agent for any home being designated
17 under the program;
- 18 (10) Report to the department any conflicts of interest;
19 and
- 20 (11) Meet any other eligibility requirements established by
21 the department.



1 (b) The department shall publish and maintain on its
2 website a list of evaluators who meet the eligibility
3 requirements of this section.

4 **§ -8 Use of grant moneys; conditions.** (a) The
5 residential property owner shall hire a contractor who meets the
6 requirements set forth in section -9 to perform the
7 improvements necessary for the residential property to achieve
8 one of the designations specified in section -6(b).

9 (b) A retrofit project for which a grant is issued shall
10 be completed no later than six months after the date the
11 residential property owner receives notice of the grant
12 approval. Failure to complete a project within the required
13 timeframe may result in the forfeiture of the grant.

14 (c) Grant funds shall not be paid until a certificate has
15 been issued for the fortified standard, pursuant to rules
16 adopted by the department. Grant moneys shall be paid by the
17 department, on behalf of the residential property owner,
18 directly to the contractor who performed the retrofit work;
19 provided that the department may delegate payment under this
20 subsection to another agency.



1 (d) A residential property owner shall be responsible for
2 any amount that is owed to a contractor that exceeds the amount
3 of awarded grant moneys.

4 (e) Grant moneys shall not be used for maintenance or
5 repairs.

6 (f) Notwithstanding subsection (e), grant moneys may be
7 used in conjunction with repairs or reconstruction necessary to
8 address damage from a disaster.

9 (g) All retrofit activities shall comply with applicable:

- 10 (1) Building codes;
11 (2) Permitting and inspection requirements; and
12 (3) Standards established by the Insurance Institute for
13 Business and Home Safety Fortified Homes Program or
14 other applicable standard under section -6(b).

15 (h) The department may conduct random inspections of
16 funds, records, and residential properties for the purposes of
17 preventing or detecting fraud.

18 § -9 **Contractors; eligibility.** (a) A person receiving
19 a grant under this chapter shall hire a contractor who meets the
20 eligibility requirements of subsection (b) to perform the
21 retrofit work.



1 (b) To be eligible to perform retrofit work under this
2 chapter, a contractor shall:

3 (1) Be certified by the Insurance Institute for Business
4 and Home Safety or another organization approved by
5 the department;

6 (2) Be capable of performing work that satisfies the
7 standards prescribed by this chapter and any rules
8 adopted under this chapter;

9 (3) Meet all program requirements established under this
10 chapter and any rules adopted under this chapter;

11 (4) Maintain with the department proof that the
12 contractor:

13 (A) Is licensed under chapter 444;

14 (B) Is registered to do business in the State;

15 (C) Maintains a general liability policy of \$500,000
16 in liability coverage;

17 (D) Maintains workers' compensation as required by
18 law; and

19 (E) Has an active Insurance Institute for Business
20 and Home Safety fortified roof contractor
21 certification or fortified professional



- 1 certification, or another certification approved
2 by the department;
- 3 (5) Maintain current and accurate contact information with
4 the department;
- 5 (6) Have no record of disciplinary action by the
6 contractors license board;
- 7 (7) Pay all fees associated with any certifications
8 required under this chapter, including any training
9 fees;
- 10 (8) Agree to follow all policies and procedures required
11 by the department;
- 12 (9) Not have a financial interest in any project funded by
13 the program for which the contractor is performing
14 work, other than receiving payment on behalf of the
15 homeowner from the program;
- 16 (10) Report to the department any conflicts of interest
17 before work commences;
- 18 (11) Not be the evaluator for any project funded under the
19 program; and
- 20 (12) Meet any other eligibility requirements established by
21 the department.



1 (c) The department shall not endorse or provide
2 preferential treatment to any contractor.

3 § -10 **Strengthen Hawaii homes program special fund.** (a)

4 There is established the strengthen Hawaii homes program special
5 fund, into which shall be deposited:

6 (1) Federal moneys received for the program or designated
7 for deposit into the special fund;

8 (2) Monies received by the department from grants or other
9 funding sources designated for deposit into the
10 special fund;

11 (3) Fees collected pursuant to this chapter;

12 (4) Appropriations by the legislature into the special
13 fund;

14 (5) Any interest earned on moneys in the special fund; and

15 (6) Moneys from any other sources designated for deposit
16 into the special fund.

17 (b) Moneys from the strengthen Hawaii homes program
18 special fund, subject to the availability of moneys in the fund,
19 including from federal sources, grants, and other contributions,
20 shall be available to the department for the purposes of the



1 program. Expenditures from the fund shall comply with the
2 requirements of this chapter.

3 § -11 **Annual reports.** No later than twenty days prior
4 to the convening of each regular session, the department shall
5 submit a report to the legislature that includes:

6 (1) The number of homes retrofitted under the program
7 during the previous year;

8 (2) Revenues and expenditures from the strengthen Hawaii
9 homes program special fund;

10 (3) Changes in vulnerability and insurance accessibility
11 observed by the department, including short-term and
12 long-term trends; and

13 (4) Any other findings and recommendations, including any
14 proposed legislation.

15 § -12 **Rules.** (a) The department shall adopt rules
16 pursuant to chapter 91 necessary to implement this chapter,
17 including rules that address eligibility requirements,
18 application procedures, procedures for appeals, conditions on
19 the use of funds, and fees."

20 SECTION 3. There is appropriated out of the strengthen
21 Hawaii homes program special fund the sum of \$ or so



H.B. NO. 1467

Report Title:

DBEDT; Strengthen Hawaii Homes Act; Housing; Disaster Resiliency; Grants; Special Fund; Appropriation

Description:

Establishes the strengthen Hawaii homes program within the Department of Business, Economic Development, and Tourism to administer grants to retrofit residential properties located in historically vulnerable areas to enhance resilience against disaster impacts and reduce potential insurance liabilities. Establishes the strengthen Hawaii homes program special fund. Appropriates moneys from the special fund.

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