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# A BILL FOR AN ACT

RELATING TO HOUSING RESILIENCY.

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

SECTION 1. The purpose of this Act is to establish the  
strengthen Hawaii homes program, which will be dedicated to  
retrofitting residential properties to:

(1) Enhance those properties' resilience against disaster  
impacts; and

(2) Reduce potential insurance liabilities.

SECTION 2. The Hawaii Revised Statutes is amended by  
adding a new chapter to title 13 to be appropriately designated  
and to read as follows:

**"CHAPTER**

**STRENGTHEN HAWAII HOMES ACT**

§ -1 **Short title.** This Act shall be known and may be  
cited as the Strengthen Hawaii Homes Act.

§ -2 **Definitions.** As used in this chapter:

"Department" means the department of business, economic  
development, and tourism.



1 "Disaster" includes earthquakes, floods, high water,  
2 hurricanes, Kona low storms, landslide, mudslide, tidal wave,  
3 tornadoes, tsunami, wildfire, wind-driven water, windstorms, and  
4 other causes as determined by the department.

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

8 "Program" means the strengthen Hawaii homes program.

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

12 **§ -3 Strengthen Hawaii homes program; established. (a)**

13 There is established within the department the strengthen Hawaii  
14 homes program, under which the department shall provide grants  
15 to modify and strengthen existing residential properties to  
16 improve their resilience to disasters and reduce potential  
17 insurance liabilities.

18 (b) Implementation of the program shall be subject to the  
19 availability of funds. The department shall use its best  
20 efforts to obtain grants or other funding from the federal  
21 government or other funding sources to supplement any moneys



1 appropriated by the legislature to the department for the  
2 program.

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

7 § -4 **Strengthen Hawaii homes program administrator and**  
8 **requirements.** (a) The department may delegate the powers and  
9 responsibilities incurred under this chapter to a third party as  
10 necessary.

11 (b) The department, without regard to chapter 103D, may  
12 contract with a third party to operate and manage the program.

13 (c) A third party contracted pursuant to this section  
14 shall be subject to oversight by the department and shall report  
15 to the department twice a year and upon request of the  
16 department.

17 (d) A third party contracted pursuant to this section  
18 shall satisfy the qualification requirements established by the  
19 department, including having experience and expertise in:

20 (1) Residential resilience technologies and methods; and



(2) Identifying, developing, administering, and implementing residential resilience management and community-based infrastructure programs.

(e) The duties and responsibilities of a third party contracted under this section shall be established by the department.

**§ -5 Grants; applications; eligibility. (a)**

Applications for grants shall be filed electronically in the form and manner prescribed by the department and shall contain such information required by the department. At minimum, an application shall show:

- (1) The name of the requesting individual applicant;
- (2) The purpose for the grant;
- (3) The address of the single-family home requesting to receive the grant;
- (4) The tax map key number of the single-family home;
- (5) The proposed plan to comply with the program if the applicant receives a grant pursuant to this section;
- (6) Receipt of the licenses and permits necessary to carry out activities performed pursuant to the proposed plan;



- 1 (7) A proposed timeline for compliance with the program;
- 2 (8) A declaration that the grant shall only be used for
- 3 activities that are consistent with the purpose of the
- 4 program and this chapter; and
- 5 (9) The applicant's household income does not exceed one
- 6 hundred forty per cent of the area median income.
- 7 (b) To be eligible for a grant under the program, a person
- 8 shall:
- 9 (1) Establish that the property is a residential property
- 10 and not a condominium or mobile home;
- 11 (2) Establish that the residential property is in good
- 12 repair; provided that this paragraph shall not
- 13 disqualify residential property that has been damaged
- 14 by a disaster;
- 15 (3) Consult with an evaluator to conduct the property
- 16 evaluation required by section -7, and submit the
- 17 results of the evaluation to the department;
- 18 (4) Agree to allow the department to inspect or reinspect
- 19 the residential property, including by conducting
- 20 random inspections or reinspections; and



1 (5) Meet any other requirements set forth by the  
2 department for the specific grant the applicant is  
3 seeking; provided that the department shall not  
4 establish requirements relating to a residential  
5 property's insurance coverage.

6 (c) The department may require a person to submit  
7 documentation or a written affirmation to verify that the person  
8 meets the requirements of subsection (b).

9 (d) Grant applications shall be accepted on a first-come,  
10 first-served basis within each income tier as established by the  
11 department.

12 (e) Priority for the award of grants shall be given to  
13 applicants:

14 (1) Whose households have an income of no more than one  
15 hundred forty per cent of the area median income as  
16 determined by the United States Department of Housing  
17 and Urban Development; and

18 (2) Who meet any other criteria that the department  
19 determines is appropriate to meet the purposes of the  
20 program.



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

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

8 **§ -6 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 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 **§ -7 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 -8 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 provided that if the evaluator determines that the residential  
21 property is not able to be improved to meet any of the standards





described in this subsection, then the evaluator shall make a determination that the residential property is not mitigable and the residential property owner shall not be eligible for a grant under this chapter.

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

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

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

(2) Be in good standing with:

(A) The Insurance Institute for Business and Home Safety and maintain an active Insurance Institute for Business and Home Safety certification as a FORTIFIED Home Evaluator; or

(B) Another organization approved by the department;

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

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

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



(B) Has an active Insurance Institute for Business  
and Home Safety FORTIFIED Home Evaluator  
certification or other certification approved by  
the department;

(5) Maintain current and accurate contact information with  
the department;

(6) Pay all fees associated with any certifications  
required under this chapter, including any training  
fees;

(7) Not have a financial interest in any project which the  
person inspects for designation purposes pursuant to  
this chapter;

(8) Not be a contractor or supplier of any materials,  
products, or systems installed in any home that the  
person inspects for purposes of this chapter;

(9) Not be a sales agent for any home being designated  
under the program;

(10) Report to the department any conflicts of interest;  
and

(11) Meet any other eligibility requirements established by  
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 § -9 Use of grant moneys; conditions. (a) The  
5 residential property owner shall hire a contractor who meets the  
6 standards set forth in section -10 to perform the  
7 improvements necessary for the residential property to achieve  
8 one of the designations specified in section -7(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. For good  
14 cause, the department may extend the timeframe for the  
15 completion of the retrofit project.

16 (c) Grant funds shall not be paid until a certificate has  
17 been issued for the FORTIFIED standard, pursuant to rules  
18 adopted by the department. Grant moneys shall be paid by the  
19 department, on behalf of the residential property owner,  
20 directly to the contractor who performed the retrofit work;



1 provided that the department may delegate payment under this  
2 subsection to another agency.

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

6 (e) Grant moneys shall not be used for maintenance or  
7 repairs, unless used in conjunction with repairs or  
8 reconstruction necessary to address damage from a disaster.

9 (f) 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 standards under section -7(b).

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

18 § -10 **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 § -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) Changes in vulnerability and insurance accessibility  
9 observed by the department, including short-term and  
10 long-term trends; and

11 (3) Any other findings and recommendations, including any  
12 proposed legislation.

13 § -12 **Rules.** The department shall adopt rules pursuant  
14 to chapter 91 necessary to implement this chapter, including  
15 rules that address eligibility requirements, application  
16 procedures, procedures for appeals, conditions on the use of  
17 funds, and fees."

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2025-2026 for  
21 the strengthen Hawaii homes program.



1       The sum appropriated shall be expended by the department of  
2 business, economic development, and tourism for the purposes of  
3 this Act.

4       SECTION 4. This Act shall take effect on July 1, 3000.





**Report Title:**

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

**Description:**

Establishes the Strengthen Hawaii Homes Program within the  
Department of Business, Economic Development, and Tourism to  
administer grants to retrofit residential properties to enhance  
resilience against disaster impacts and reduce potential  
insurance liabilities. Appropriates funds. Effective 7/1/3000.  
(HD2)

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not legislation or evidence of legislative intent.*

