

ACT 287

H.B. NO. 1752

A Bill for an Act Relating to Housing.

Be It Enacted by the Legislature of the State of Hawaii:

PART I

SECTION 1. The legislature finds that Act 215, Session Laws of Hawaii 2019 (Act 215), required the Hawaii public housing authority to adopt rules, without regard to chapter 91, Hawaii Revised Statutes, to establish a program to reimburse landlords who participate in the section 8 housing choice voucher program to cover repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit. Act 215 also made an appropriation to the Hawaii public housing authority for that purpose. On February 20, 2020, the Hawaii public housing authority board of directors adopted a set of rules, entitled "Section 8 Housing Choice Voucher Landlord Incentive Program Rules", that provide the structure for this program.

The purpose of this part is to provide additional incentives for landlords to participate in the section 8 housing choice voucher program by providing financial protections for those landlords.

SECTION 2. Chapter 356D, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§356D- Housing choice voucher landlord incentive program. (a) The authority shall adopt rules, without regard to chapter 91, to establish the following incentives for landlords participating in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f):

- (1) The landlord may be reimbursed up to one month of rent at the contract rate when the dwelling unit sits vacant:
 - (A) Between rentals to tenants participating in the section 8 housing choice voucher program; or
 - (B) When the landlord initially transitions the dwelling unit to a rental under the section 8 housing choice voucher program; and
 - (2) The landlord may receive a signing bonus of up to one month of rent at the contract rate when the landlord first joins the section 8 housing choice voucher program by entering into a contract with the authority and securing a tenant participating in the section 8 housing choice voucher program for the dwelling unit; provided that a landlord receiving the signing bonus shall not also receive reimbursement under paragraph (1)(B).
- (b) The incentives in subsection (a) shall supplement the incentive offered under the section 8 housing choice voucher landlord incentive program established pursuant to Act 215, Session Laws of Hawaii 2019, to reimburse

landlords who participate in the section 8 housing choice voucher landlord incentive program for repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit.

(c) The following requirements shall apply to the reimbursement for repair costs:

- (1) The landlord shall submit a claim to the authority within thirty calendar days of the tenant vacating the dwelling unit;
- (2) The authority may reimburse the landlord up to an amount to be determined by the authority for verified costs to repair the tenant-caused property damage, subject to availability of funding; provided that the costs of repair shall exceed the security deposit; and
- (3) Claims that exceed an amount to be determined by the authority shall include an estimate from a licensed contractor setting forth the costs to repair the damages caused by the tenant to the dwelling unit."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,450,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the cost of the incentives established pursuant to section 2 of this Act and Act 215, Session Laws of Hawaii 2019, for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

The sum appropriated shall be expended by the Hawaii public housing authority for the purposes of this part.

PART II

SECTION 4. The legislature finds that the administrative rules applicable to section 8 housing choice voucher program leases as administered by the Hawaii public housing authority found at title 15, chapter 185, subchapter 3, Hawaii Administrative Rules (sections 15-185-41 through 15-185-44, Hawaii Administrative Rules) require dwelling units approved for lease under the program to meet minimum housing quality standards. Similar emergency rules were adopted for application to the Hawaii public housing authority pursuant to sections 17-2039-41 to 17-2039-44, Hawaii Administrative Rules. Prior to approving a lease, the dwelling unit shall be inspected within a reasonable time after receipt of the owner's inspection request. In addition, the form of the lease shall comply with United States Department of Housing and Urban Development regulations and state and local law, specify utilities and appliances supplied by the owner, and include a federally prescribed tenancy addendum. If the dwelling unit is determined to be suitable for the program and the lease meets specified requirements of the program, the owner and tenant requesting to lease the dwelling unit shall be notified and a contract shall be executed.

The legislature further finds that specifying a maximum number of days within which the required inspection shall be completed will reflect the prioritization of increasing section 8 housing availability and assure landlords and tenants of a more expedited process. The legislature also finds that creating targeted positions and appropriating funds for those positions are necessary to achieve timely inspections and a better coordinated and more responsive program.

The purpose of this part is to:

- (1) Require the Hawaii public housing authority to adopt or amend rules no later than July 1, 2023, 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; and
- (2) Establish positions within the Hawaii public housing authority and appropriate funds to ensure that prospective dwelling unit inspections are completed within fifteen days of receipt of a request for lease approval and to facilitate various aspects of the section 8 housing choice voucher program.

SECTION 5. No later than July 1, 2023, the authority shall adopt or amend administrative rules, without regard to chapter 91, Hawaii Revised Statutes, 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.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2022-2023 for two full-time equivalent (2.00 FTE) permanent housing quality standards inspector II positions within the Hawaii public housing authority to facilitate, coordinate, and monitor inspections of dwelling units that are the subject of applications for the section 8 housing choice voucher program, and handle related duties.

The sum appropriated shall be expended by the Hawaii public housing authority for the purposes of this part.

PART III

SECTION 7. New statutory material is underscored.¹

SECTION 8. This Act shall take effect on July 1, 2022.

(Approved July 12, 2022.)

Note

1. Edited pursuant to HRS §23G-16.5.