

JAN 23 2020

A BILL FOR AN ACT

RELATING TO SHORT-TERM RENTAL ASSISTANCE.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART . SHORT-TERM RENTAL ASSISTANCE PROGRAM**

5 **§356D-A Short-term rental assistance revolving fund. (a)**

6 There is established a revolving fund known as the short-term
7 rental assistance revolving fund to be administered by the
8 authority. Notwithstanding any law to the contrary, moneys
9 received or collected by the authority pursuant to this part
10 shall be deposited into the revolving fund.

11 (b) Moneys from the fund shall be expended by the
12 authority for the sole purpose of providing short-term paying
13 rent in a manner consistent with this chapter.

14 **§356D-B Short-term rental assistance program. (a)** The
15 authority may provide a program participant with up to twenty-
16 four months of rental assistance during any three-year period.

17 For the purposes of this chapter "program participant" means an



1 individual or family whose individual or family whose income
2 does not exceed fifty per cent of the area median income.

3 (b) Subject to the requirements of this section, the
4 authority may set a maximum amount or percentage of rental
5 assistance that a program participant may receive, a maximum
6 number of months that a program participant may receive rental
7 assistance, or a maximum number of times that a program
8 participant may receive rental assistance. The authority may
9 also require program participants to share in the costs of rent.

10 (c) Except for a one-time payment of rental arrears on the
11 tenant's portion of the rental payment, rental assistance cannot
12 be provided to a program participant who is receiving tenant-
13 based rental assistance, or living in a housing unit receiving
14 project-based rental assistance or operating assistance, through
15 other public sources.

16 (d) Rental assistance cannot be provided unless the rent
17 does not exceed the Fair Market Rent established by the United
18 States Department of Housing and Urban Development and complies
19 with the Department of Housing and Urban Development's standard
20 of rent reasonableness.



1 For purposes of calculating rent under this section, the
2 rent shall equal the sum of the total monthly rent for the unit,
3 any fees required for occupancy under the lease (other than late
4 fees and pet fees) and, if the tenant pays separately for
5 utilities, the monthly allowance for utilities (excluding
6 telephone) established by the authority.

7 (e) The authority may make rental assistance payments only
8 to an owner with whom the authority has entered into a rental
9 assistance agreement. The rental assistance agreement must set
10 forth the terms under which rental assistance will be provided,
11 including the requirements that apply under this section. The
12 rental assistance agreement must provide that, during the term
13 of the agreement, the owner must give the authority a copy of
14 any notice to the program participant to vacate the housing unit
15 or any complaint used under Hawaii law to commence an eviction
16 action against the program participant.

17 (f) The authority must make timely payments to each owner
18 in accordance with the rental assistance agreement. The rental
19 assistance agreement must contain the same payment due date,
20 grace period, and late payment penalty requirements as the
21 program participant's lease. The authority is solely



1 responsible for paying late payment penalties that it incurs
2 with funds from the short-term rental assistance revolving fund.

3 (g) Each program participant receiving rental assistance
4 must have a legally binding, written lease for the rental unit,
5 unless the assistance is solely for rental arrears. The lease
6 must be between the owner and the program participant. Where
7 the assistance is solely for rental arrears, an oral agreement
8 may be accepted in place of a written lease, if the agreement
9 gives the program participant an enforceable leasehold interest
10 under Hawaii law and the agreement and rent owed are
11 sufficiently documented by the owner's financial records, rent
12 ledgers, or canceled checks. For program participants living in
13 housing with project-based rental assistance under paragraph (i)
14 of this section, the lease must have an initial term of one
15 year.

16 (h) A program participant who receives tenant-based rental
17 assistance may select a housing unit in which to live and may
18 move to another unit or building and continue to receive rental
19 assistance, as long as the program participant continues to meet
20 the program requirements. The authority may require that all



1 program participants live within a particular area for the
2 period in which the rental assistance is provided.

3 The rental assistance agreement with the owner must
4 terminate and no further rental assistance payments under that
5 agreement may be made if:

- 6 (1) The program participant moves out of the housing unit
7 for which the program participant has a lease;
- 8 (2) The lease terminates and is not renewed; or
- 9 (3) The program participant becomes ineligible to receive
10 rental assistance.

11 (i) If the authority identifies a permanent housing unit
12 that meets this section's requirements and becomes available
13 before a program participant is identified to lease the unit,
14 the authority may enter into a rental assistance agreement with
15 the owner to reserve the unit and subsidize its rent in
16 accordance with the following requirements:

- 17 (1) The rental assistance agreement may cover one or more
18 permanent housing units in the same building. Each
19 unit covered by the rental assistance agreement
20 ("assisted unit") may only be occupied by program



- 1 participants, except as provided under paragraph
2 (i) (4) of this section.
- 3 (2) The authority may pay up to 100 percent of the first
4 month's rent, provided that a program participant
5 signs a lease and moves into the unit before the end
6 of the month for which the first month's rent is paid.
7 The rent paid before a program participant moves into
8 the unit must not exceed the rent to be charged under
9 the program participant's lease and must be included
10 when determining that program participant's total
11 rental assistance.
- 12 (3) The authority may make monthly rental assistance
13 payments only for each whole or partial month an
14 assisted unit is leased to a program participant.
15 When a program participant moves out of an assisted
16 unit, the authority may pay the next month's rent,
17 i.e., the first month's rent for a new program
18 participant, as provided in paragraph (i) (2) of this
19 section.
- 20 (4) The program participant's lease must not condition the
21 term of occupancy to the provision of rental



1 assistance payments. If the program participant is
2 determined ineligible or reaches the maximum number of
3 months over which rental assistance can be provided,
4 the authority must suspend or terminate the rental
5 assistance payments for the unit. If the payments are
6 suspended, the individual or family may remain in the
7 assisted unit as permitted under the lease, and the
8 authority may resume payments if the individual or
9 family again becomes eligible and needs further rental
10 assistance. If the payments are terminated, the
11 rental assistance may be transferred to another
12 available unit in the same building, provided that the
13 other unit meets all of this section's requirements.

14 (5) The rental assistance agreement must have an initial
15 term of one year. When a new program participant
16 moves into an assisted unit, the term of the rental
17 assistance agreement may be extended to cover the
18 initial term of the program participant's lease. If
19 the program participant's lease is renewed, the rental
20 assistance agreement may be renewed or extended, as



1 needed, up to the maximum number of months for which
2 the program participant remains eligible.

3 (j) The limits on the assistance under this section apply
4 to the total assistance an individual receives, either as an
5 individual or as part of a family."

6 SECTION 2. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so
8 much thereof as may be necessary for fiscal year 2020-2021 to be
9 deposited into the short-term rental assistance revolving fund.

10 SECTION 3. There is appropriated out of the short-term
11 rental assistance revolving fund the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2020-2021 for
13 funding the short-term rental assistance program.

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

16 SECTION 4. In codifying the new sections added by section
17 1 of this Act, the revisor of statutes shall substitute
18 appropriate section numbers for the letters used in designating
19 the new sections in this Act.

20 SECTION 5. New statutory material is underscored.

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1 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

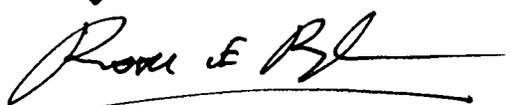






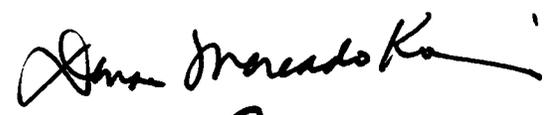

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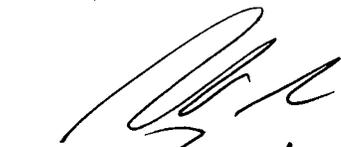




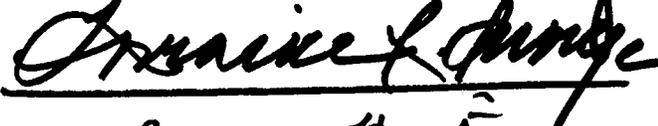
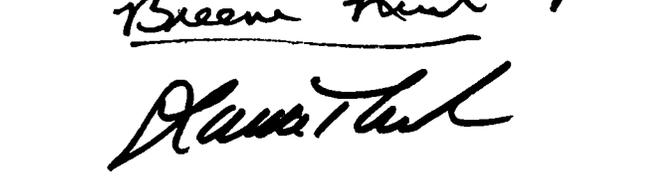












Breen Hunt




S.B. NO. 2951

Report Title:

Housing; Short-term Rental Assistance; Short-term Rental Assistance Fund; Hawaii Public Housing Authority; Appropriation

Description:

Creates the short-term rental assistance fund; establishes the short-term rental assistance program.

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

