A BILL FOR AN ACT

RELATING TO SHORT-TERM RENTAL ASSISTANCE.

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

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

"PART . SHORT-TERM RENTAL ASSISTANCE PROGRAM

§356D-A Short-term rental assistance revolving fund. (a) There is established a revolving fund known as the short-term rental assistance revolving fund to be administered by the authority into which shall be deposited legislative appropriations.

(b) Moneys from the fund shall be expended by the authority for the sole purpose of providing rental assistance pursuant to this part.

§356D-B Short-term rental assistance program. (a) The authority may provide up to twenty-four months of rental assistance during any three-year period to an individual or family whose income does not exceed fifty per cent of the area median income.
(b) Subject to the requirements of this section, the authority may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The authority may also require program participants to share in the costs of the participant's rent.

(c) Except for receipt of public assistance in the form of a one-time payment of rent in arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a current or prospective program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources.

(d) The authority shall not provide rental assistance unless the rent does not exceed the Fair Market Rent established by the United States Department of Housing and Urban Development and complies with the Department of Housing and Urban Development's standard of rent reasonableness.
For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit; any fees required for occupancy under the lease, excluding late fees and pet fees; and, if the tenant pays separately for utilities, the monthly allowance established by the authority for utilities, excluding telephone.

(e) For rental assistance payments made to the owner of a property for which the authority is providing rental assistance, the authority may make rental assistance payments only to an owner with whom the authority has entered into a rental assistance agreement. The rental assistance agreement shall:

(1) Establish the terms under which rental assistance will be provided, including the requirements of this section;

(2) Include a provision requiring the owner to provide the authority with a copy of any notice issued to the program participant to vacate the housing unit or any complaint used under state law to commence an eviction action against the program participant, issued by or on behalf of the owner during the term of the agreement; and
(3) Contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease.

The authority shall make timely payments to each owner in accordance with the applicable rental assistance agreement entered into pursuant to this subsection. The authority shall be solely responsible for paying late payment penalties that the authority incurs; provided that the authority shall pay these penalties with funds from the short-term rental assistance revolving fund.

(f) Except for rental only assistance provided for rental arrears, each program participant receiving rental assistance shall possess a written lease for the rental unit, signed by the owner and program participant. For rental assistance provided solely for rental arrears, an oral rental agreement may be accepted in place of a written lease if the rental agreement grants the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing
with project-based rental assistance under paragraph (i) of this section, the lease shall have an initial term of one year.

(g) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance; provided that the program participant shall continue to meet the program requirements. The authority may require that a program participant live within a particular area for the period in which the rental assistance is provided.

A rental assistance agreement between the authority and an owner shall terminate and no further rental assistance payments under that agreement shall be made if:

(1) The program participant moves out of the housing unit for which the program participant is receiving rental assistance pursuant to this part;

(2) The applicable lease terminates and is not renewed; or

(3) The program participant becomes ineligible to receive rental assistance.

(h) If the authority identifies a permanent housing unit that meets the requirements of this subsection and becomes available before a program participant is identified to lease
the unit, the authority may enter into a rental assistance
agreement with the owner to reserve the unit and subsidize the
unit's rent in accordance with the following requirements:

(1) The rental assistance agreement may cover one or more
permanent housing units in the same building. Each
assisted unit may only be occupied by program
participants, except as provided under paragraph (4)
of this subsection.

(2) The authority may pay up to one hundred per cent of
the first month's rent; provided that a program
participant shall sign a lease and move into the unit
before the end of the month for which the first
month's rent is paid. The rent paid before a program
participant moves into the unit shall not exceed the
rent to be charged under the program participant's
lease and shall be included in the authority's
determination of the total amount of rental assistance
to provide to a program participant.

(3) The authority may only make monthly rental assistance
payments for each whole or partial month that an
assisted unit is leased to a program participant.
When a program participant moves out of an assisted unit, the authority may pay the next month's rent for the unit as a payment of the first month's rent for a new program participant under paragraph (2) of this subsection.

(4) The program participant's lease shall not condition the term of occupancy to the provision of rental assistance payments. If the program participant is later determined to be ineligible or reaches the maximum number of months for which the authority has agreed to provide rental assistance, the authority shall suspend or terminate the rental assistance payments for the unit. If the payments are suspended pursuant to this paragraph, the individual or family may remain in the assisted unit as permitted under the lease, and the authority may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated pursuant to this paragraph, the rental assistance may be transferred to another available unit in the same building; provided that this other
1 unit shall meet all of the requirements of this section.
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3 (5) The rental assistance agreement shall have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible.

4 As used in this subsection, "assisted unit" means a housing unit for which the authority and owner have entered into a rental assistance agreement.

5 (i) The limits on the rental assistance provided under this section shall apply to the total assistance that an individual may receive, either as an individual or as part of a family."

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

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

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

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

SECTION 5. This Act shall take effect on July 1, 2050.
Report Title:
Hawaii Public Housing Authority; Housing; Short-term Rental Assistance; Short-term Rental Assistance Fund; Appropriation

Description:
Establishes the short-term rental assistance fund and short-term rental assistance program. Effective 7/1/2050. (SD1)

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