

JAN 22 2016

---

---

# A BILL FOR AN ACT

RELATING TO THE STATE RENT SUPPLEMENT PROGRAM.

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

1           SECTION 1. The purpose of this Act is to address the state  
2 rent supplement program.

3           More specifically, this Act transfers the state rent  
4 supplement program from the Hawaii public housing authority to  
5 the department of human services.

6           The legislature finds that the transfer promotes the public  
7 interest. The legislature believes that the department of human  
8 services has the capability and interest to enhance the state  
9 rent supplement program to its fullest utilization. The program  
10 potentially is a major component in the spectrum of services  
11 that may mitigate the homeless problem by enabling low-income  
12 families and individuals to reside in a rental unit that, with  
13 the rent supplement, is affordable for them.

14           The legislature believes that the department of human  
15 services should have the power to establish and develop a state  
16 rent supplement program that best meets its purposes, instead of  
17 merely continuing the program presently operated by the Hawaii



1 public housing authority. With this purpose in mind, this Act  
2 includes broad enabling language for the program. The  
3 legislature is confident that the department will use its  
4 discretion wisely. Additionally, this Act provides the  
5 department with a limited, short-term exemption from compliance  
6 with chapter 91, Hawaii Revised Statutes, when adopting the  
7 initial rules for the program. The legislature finds that  
8 expediting the adoption of the initial rules will aid the  
9 department in its planning and implementation.

10 SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
11 amended by adding a new part to be appropriately designated and  
12 to read as follows:

13 "PART . STATE RENT SUPPLEMENT PROGRAM

14 §346-A Definitions. For the purposes of this part:

15 "Housing owner" means a private owner of a standard housing  
16 unit or units deemed qualified by the department to participate  
17 in the state rent supplement program.

18 "Qualified tenant" means a family, including a family of  
19 one person, who:

- 20 (1) Has been determined by the department to have an  
21 income not exceeding eighty per cent of the annual



1 median income of a family of the same size, as  
2 calculated by the United States Department of Housing  
3 and Urban Development;

4 (2) Resides in the State; and

5 (3) Complies with other qualifications as may be  
6 established by the department.

7 **§346-B State rent supplement program; established.** The  
8 department shall establish a state rent supplement program.  
9 Under the program, the department shall supplement the monthly  
10 rent of a qualified tenant, either through:

11 (1) Monthly payments to a housing owner on behalf of the  
12 qualified tenant; or

13 (2) Monthly issuance of rent vouchers to the qualified  
14 tenant that can be used to pay to a housing owner all  
15 or a portion of the monthly rent charged the qualified  
16 tenant.

17 **§346-C State rent supplement program; operation, annual**  
18 **report.** (a) Subject to legislative appropriation, the  
19 department may operate the state rent supplement program  
20 through:



1 (1) Staff who are employees of the department and under  
2 the supervision of the director;

3 (2) Agreement with a county;

4 (3) Contract with a private person; or

5 (4) A combination of its own staff, a county agreement,  
6 and a contractor.

7 (b) The department may operate the state rent supplement  
8 program as part of, or separate from, the homeless programs of  
9 part XVII.

10 (c) The department shall include information and data  
11 about the state rent supplement program in its annual report  
12 required under section 346-5.

13 **§346-D State rent supplement amount.** The department shall  
14 establish the monthly amount of the state rent supplement to be  
15 provided to a qualified tenant or method of calculating that  
16 monthly amount; provided that the amount shall not exceed thirty  
17 per cent of the qualified tenant's monthly income. The  
18 department may periodically adjust the monthly rent supplement  
19 amounts or method of calculating that amount.

20 **§346-E Determination of eligibility of qualified tenants**  
21 **and housing owners, periodic recertification of tenants'**



1 incomes, and adjustment of state rent supplement amounts. The  
2 department shall establish criteria and procedures for:

- 3 (1) Determining and certifying the qualified tenants and  
4 housing owners who may participate in the state rent  
5 supplement program; and
- 6 (2) Periodically reviewing and recertifying qualified  
7 tenants and housing owners.

8 **§346-F Preferences.** The department may establish  
9 preferences for the receipt of state rent supplements by rule.

10 **§346-G Rules.** (a) The department shall adopt rules to  
11 implement and operate the state rent supplement program. The  
12 rules may prescribe terms and conditions for continued  
13 eligibility of tenants and housing owners for participation in  
14 the program. Except as otherwise provided under section 6 of  
15 Act , Session Laws of Hawaii 2016, the rules shall be adopted  
16 in accordance with chapter 91.

17 (b) In order to facilitate the administration of the state  
18 rent supplement program, the department may adopt rules that  
19 incorporate by reference amendments to the section 8 housing  
20 choice voucher program regulations. If adopted, the rules for  
21 the state rent supplement program shall be deemed amended



1 automatically, without necessity of public hearing, when the  
2 regulations for the section 8 housing choice voucher program are  
3 amended; provided that the department shall give at least thirty  
4 days public notice before the state rent supplement program  
5 rules take effect. For the purpose of this subsection, the  
6 "section 8 housing choice voucher program" means the program  
7 under section 8 of the United States Housing Act of 1937, as  
8 amended, that provides for the issuance of vouchers to assist  
9 low-income tenants with rent payments.

10 §346-H Additional powers. The powers conferred upon the  
11 department by this part shall be in addition to the powers  
12 conferred by any other law, and nothing in this part shall be  
13 construed as limiting any powers, rights, privileges, or  
14 immunities so conferred."

15 SECTION 3. Chapter 356D, part VIII, Hawaii Revised  
16 Statutes, is repealed.

17 SECTION 4. (a) On July 1, 2017, all rights, powers,  
18 functions, and duties of the Hawaii public housing authority  
19 relating to the state rent supplement program are transferred to  
20 the department of human services.



1 (b) On July 1, 2017, all employees who occupy civil  
2 service positions and whose functions are transferred to the  
3 department of human services by this Act shall retain their  
4 civil service status, whether permanent or temporary. Employees  
5 shall be transferred without loss of salary, seniority (except  
6 as prescribed by application collective bargaining agreements),  
7 retention points, prior service credit, any vacation and sick  
8 leave credits previously earned, and other rights, benefits, and  
9 privileges, in accordance with state personnel laws and this  
10 Act; provided that the employees possess the minimum  
11 qualifications and public employment requirements for the class  
12 or positions to which transferred or appointed, as applicable;  
13 provided further that subsequent changes in status may be made  
14 pursuant to applicable civil service and compensation laws.

15 Any employee who, prior to this Act, is exempt from civil  
16 service and is transferred as a consequence of this Act may  
17 retain the employee's exempt status, but shall not be appointed  
18 to a civil service position as a consequence of this Act. An  
19 exempt employee who is transferred by this Act shall not suffer  
20 any loss of prior service credit, vacation or sick leave credits  
21 previously earned, or other employee benefits or privileges as a



1 consequence of this Act; provided that the employee possesses  
2 the legal and public employment requirements for the position to  
3 which transferred or appointed, as applicable; provided further  
4 that subsequent changes in status may be made pursuant to  
5 applicable employment and compensation laws. The director of  
6 human services may prescribe the duties and qualifications of  
7 these employees and fix their salaries without regard to chapter  
8 76, Hawaii Revised Statutes.

9 SECTION 5. On July 1, 2017, all appropriations, records,  
10 equipment, machines, files, supplies, contracts, books, papers,  
11 documents, maps, and other personal property heretofore made,  
12 used, acquired, or held by the Hawaii public housing authority  
13 relating to the functions transferred to the department of human  
14 services shall be transferred with the functions to which they  
15 relate.

16 SECTION 6. (a) From July 1, 2016, the department of human  
17 services shall commence preparation to implement and operate the  
18 state rent supplement program commencing on July 1, 2017.

19 The department shall adopt the initial rules for the state  
20 rent supplement program without necessity of compliance with  
21 chapter 91, Hawaii Revised Statutes; provided that:





1 (1) The department shall hold at least one public hearing  
2 on the proposed rules before adoption; and

3 (2) Any rules adopted after June 30, 2017, shall be  
4 subject to chapter 91, Hawaii Revised Statutes.

5 The department shall submit to the legislature as part of  
6 the executive budget for the fiscal biennium 2017-2019 a request  
7 to transfer to the department the appropriation for the state  
8 rent supplement program that is in the base budget of the Hawaii  
9 public housing authority. The department also shall submit a  
10 request to fund the additional positions authorized for the  
11 program under section 7 and may submit any other request for  
12 funding the program.

13 (b) Between July 1, 2016 and July 1, 2017, the Hawaii  
14 public housing authority shall continue to operate the state  
15 rent supplement program in accordance with chapter 356D, Hawaii  
16 Revised Statutes, but shall begin preparation for the transfer  
17 of the program to the department of human services on July 1,  
18 2017. The Hawaii public housing authority shall cooperate with  
19 the department of human services and any other department to  
20 effectuate the transfer.



1 SECTION 7. There are authorized 2.00 full-time equivalent  
2 program management specialist IV positions in the department of  
3 human services for the state rent supplement program. The  
4 positions may be filled commencing on July 1, 2016.

5 The department shall use the employees occupying the  
6 positions to prepare for the transfer of the state rent  
7 supplement program from the Hawaii public housing authority to  
8 the department of human services.

9 Alternatively, the department may use the employees  
10 occupying the positions to assume the duties of incumbent  
11 employees of the department who are reassigned to prepare for  
12 the transfer.

13 SECTION 8. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$100,000 or so much  
15 thereof as may be necessary for fiscal year 2016-2017 to prepare  
16 for the transfer of the state rent supplement program from the  
17 Hawaii public housing authority to the department of human  
18 services.

19 The sum appropriated shall be expended by the department of  
20 human services for the purposes of this Act.



1 SECTION 9. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 10. This Act shall take effect on July 1, 2017;  
4 except that sections 6, 7, and 8 shall take effect on July 1,  
5 2016.

6

INTRODUCED BY: Jin  
M.M.M.  
~~Lorraine R. Amore~~  
4. Kalam Singh  
Rosalyn H Baker  
Michelle Kadani  
DANIELA  
B  
Alexandra Nishikawa



# S.B. NO. 2564

**Report Title:**

State Rent Supplement Program; Transfer

**Description:**

Transfers the state rent supplement program from the Hawaii public housing authority to the department of human services on 07/01/17. Establishes a short-term limited exemption from chapter 91, Hawaii Revised Statutes, for the adoption of initial rules by the department for the program. Makes an appropriation and authorizes 2.00 positions to prepare for the transfer.

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

