
A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

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

1 PART I

2 SECTION 1. The legislature finds that homelessness is an
3 issue of public concern and should be regarded as one of the
4 most significant social problems facing the State. Signs that
5 the problem is growing progressively worse are becoming more and
6 more prevalent and the burden of rectifying this problem should
7 be approached as a collective responsibility. Community
8 involvement in the fight against homelessness is the key toward
9 the development of an effective and workable system. The
10 community requires resources and incentives to eliminate the
11 condition of homelessness.

12 The legislature also finds that one feasible undertaking is
13 the establishment of a voluntary homeless assistance project to
14 authorize state grants and monthly rent supplements to any
15 property owner who sets aside any existing rental space or
16 improves or constructs a dwelling unit for the purpose of



1 renting the unit to any family or individual classified as
2 homeless.

3 The legislature further finds that the cost to implement
4 this particular approach is far less than the cost of building
5 new homeless shelter facilities since the capital development
6 costs of building rental units would be shared by the public and
7 private sectors.

8 Additionally, because the project has the potential to
9 drastically reduce the actual number of homeless families and
10 individuals living in public areas, it could restore unfettered
11 access to malls, streets, parks, and campgrounds, and allow
12 stricter enforcement of the State's public access laws.
13 Overall, the project will enrich the quality of life for the
14 people of Hawaii and strengthen the State's reputation as one of
15 the most beautiful areas in the world to visit.

16 The legislature anticipates that lifting the burden on
17 homeless shelters will allow resource providers to focus on
18 special needs homeless persons. The legislature also
19 anticipates that limiting the number of homeowners authorized to
20 participate in the project to ten rental contracts per census
21 tract will ensure that no particular district or community is



1 unduly burdened by a sudden influx of homeless families. The
2 legislature expects that, with approximately two hundred forty-
3 four census tracts throughout the city and county of Honolulu,
4 the project has the potential of making 2,440 units available to
5 homeless families on Oahu. Moreover, with an average of two and
6 one-half members per homeless family, the legislature expects
7 that the project will have the ability to provide homes for
8 6,100 people during its initial phase.

9 Accordingly, the purpose of this Act is to address the
10 homelessness crisis in the State by:

- 11 (1) Establishing a fifteen-year homeless assistance
12 project, which shall be known as the "hale kokua
13 project";
- 14 (2) Establishing a special fund to support the hale kokua
15 project; and
- 16 (3) Amending certain conveyance tax statutes to support
17 the financial viability of hale kokua special fund and
18 hale kokua project.



PART II

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding two new sections to part XVII to be appropriately designated and to read as follows:

"§346- Hale kokua project. (a) There is established within the department of human services a fifteen-year homeless assistance project known as the hale kokua project.

(b) The hale kokua project shall:

(1) Provide incentives and assistance to private property owners in the city and county of Honolulu who set aside existing dwelling units, or construct new or improve existing dwelling units, for rental for a period of _____ years by families or individuals classified as homeless under the project;

(2) Be headed by a project coordinator, who shall be appointed by the director, with the assistance of the homeless housing assistance coordinating committee;

(3) Be administered by the director, who shall adopt the standards and framework necessary to implement the project statewide after its initial phase;



1 (4) Prioritize placing homeless families who have been
2 homeless in the State the longest and have been living
3 in parks, cars, campgrounds, the streets, or other
4 public areas, into rental housing made available under
5 the project;

6 (5) Limit the number of private property owners authorized
7 to take part in the project to ten per census tract,
8 in order to ensure that no particular district or
9 community is unduly burdened by a sudden influx of
10 homeless families holding rental contracts with
11 qualified homeowners under the project; and

12 (6) Have a long-term purpose of developing a framework
13 that will allow the project to be implemented
14 statewide.

15 (c) The director shall appoint a hale kokua project
16 coordinator to carry out the project. The project coordinator
17 may be assisted by one administrative assistant and one clerical
18 staff member, both of whom shall be appointed by the director
19 without regard to chapter 76. The project coordinator, with the
20 approval of the director, may contract with private entities to
21 carry out the duties and responsibilities of the project.



1 (d) Under the supervision of the director, the duties of
2 the hale kokua project coordinator shall include:

3 (1) Carrying out the requirements of the hale kokua
4 project;

5 (2) Developing and adopting the requirements and
6 qualifications, registration, background check,
7 initial screening, and follow-up post-placement
8 procedures necessary to determine the project's
9 ability to make rental payments and the need for
10 social services and referrals for homeless families
11 and individuals to qualify them as tenants under the
12 project. The project coordinator shall prioritize the
13 placement of homeless families living in parks, cars,
14 campgrounds, on the streets, or other public areas,
15 into rental units under the project;

16 (3) Developing and adopting the requirements,
17 qualifications, and registration procedures necessary
18 for property owners who provide rental housing to
19 qualified homeless tenants; provided that priority
20 shall be given to property owners not requesting
21 construction grants;



- 1 (4) Developing appropriate waivers of liability and
2 adopting the procedures necessary to place qualified
3 homeless tenants with property owners participating in
4 the project; provided that participating property
5 owners shall have the opportunity to conduct
6 interviews and make the final tenant selection from
7 lists of prospective tenants compiled by the project
8 coordinator;
- 9 (5) Establishing the procedures and requirements necessary
10 for the disbursement of building improvement grants
11 and rental subsidies to property owners participating
12 in the project;
- 13 (6) Working with the county to develop and propose uniform
14 incentives, including real property tax waivers or
15 reductions, and exemptions in zoning or building code
16 requirements, to encourage and facilitate the
17 participation of property owners;
- 18 (7) Monitoring the financial status and progress of
19 recovery of the homeless tenants and cooperating with
20 other agencies in establishing and coordinating self-



1 help, job training, and other self-improvement
2 programs for the homeless;

3 (8) Promoting and assisting in the development of
4 employer-employee relationships between homeless
5 tenants and participating property owners, including
6 but not limited to tenant caretaker, housekeeper, or
7 groundskeeper employment situations;

8 (9) Assisting homeless families and individuals wishing to
9 return or relocate to out-of-state locations to carry
10 out their relocation;

11 (10) Securing financial, in-kind, and administrative
12 assistance from law enforcement and other state and
13 county agencies and the private sector to implement
14 the project;

15 (11) Securing funding assistance from federal agencies and
16 programs involved in housing development, job-
17 training, or homeless assistance;

18 (12) Reporting monthly to the homeless housing assistance
19 coordinating committee; and

20 (13) Monitoring the overall progress of the hale kokua
21 project, and collecting annual statistics on the



1 numbers of homeless individuals, homeless families,
2 and homeless children housed by the project, using
3 measurement systems that are aligned with national
4 surveys and studies on homelessness.

5 (e) There is established a homeless housing assistance
6 coordinating committee, a task force, which shall consist of
7 eleven members to provide advisory assistance to the hale kokua
8 project coordinator in implementing the project. The committee
9 shall regularly consult with homeless persons. The members of
10 the homeless housing assistance coordinating committee shall
11 include:

- 12 (1) The director of human services, who shall serve as the
13 ex officio, voting chairperson of the committee, or
14 the executive director's designee;
- 15 (2) The executive director of the Hawaii housing finance
16 and development corporation;
- 17 (3) The director of labor and industrial relations;
- 18 (4) The director of health;
- 19 (5) The superintendent of education;
- 20 (6) The governor's coordinator on homelessness;



1 (7) A representative of the homeless population who shall
2 be appointed by the governor; and

3 (8) A representative from each of the four counties who
4 shall be appointed by the governor from a list of two
5 nominees per county that is submitted by the mayor of
6 each county.

7 The members of the committee shall serve without compensation
8 but shall be reimbursed for necessary expenses, including travel
9 expenses, incurred while attending meetings and while in the
10 discharge of their responsibilities.

11 (f) The hale kokua project coordinator shall permit a
12 maximum of ten property owners in each census tract to
13 participate in the project at any given time, without regard to
14 the existence or operation of shelters and other facilities that
15 assist homeless persons in the tract. The project coordinator
16 shall notify prospective participants registered on the waiting
17 list in each census tract of the opportunity to participate in
18 the project as these opportunities arise in each tract.

19 Assistance to any qualified property owner providing rental
20 housing to any homeless tenant under the project for a period of



1 years shall include but not be limited to at least one of
2 the following:

3 (1) The payment of up to \$ as a state grant to
4 offset the cost of renovating, improving, or building
5 any adjoining addition, or constructing any separate
6 structure upon the premises of the owner's property in
7 preparation for its use as a homeless assistance unit
8 under the project;

9 (2) The payment of a \$ monthly state rent subsidy
10 to supplement the monthly rental payments made by the
11 homeless tenant;

12 (3) Real property tax waivers or rate reductions proposed
13 by the project coordinator and approved by the council
14 of the county in which the property is located;

15 (4) Zoning and building code exemptions applicable to the
16 construction of adjoining or separate dwelling units
17 on the owner's property; provided that the county, by
18 ordinance, may establish minimum development and
19 construction standards for these units and procedures
20 for approval thereto; and



1 (5) Other incentives consistent with the purposes of the
2 project that are adopted by the project coordinator to
3 incentivize and facilitate the participation of
4 property owners in the project.

5 (g) Any property owner who withdraws from the hale kokua
6 project prior to the expiration of years from commencing
7 participation in the project shall return the state grant for
8 construction improvements within ninety days of the date of
9 withdrawal. The project coordinator shall act to recover the
10 grant, including but not limited to the filing of liens against
11 the real property of withdrawing property owners. The
12 respective county government whose jurisdiction includes the
13 rental site shall determine the disposition of any additional
14 dwelling unit constructed with the grant.

15 (h) The director shall adopt rules, pursuant to chapter
16 91, necessary to effectuate the purpose of the project; provided
17 that any rules adopted before January 1, 2021, shall be exempt
18 from the public notice and public hearing requirements of
19 chapter 91.

20 (i) The project coordinator shall prepare interim reports
21 on the status of the hale kokua project in each year after the



1 first year of the project's operation, which shall be submitted
2 to the legislature no later than twenty days prior to the
3 convening of the regular session of each year. The report shall
4 include the annual statistics referenced in subsection (d)(13)
5 and other relevant information.

6 (j) The project coordinator shall prepare a final report
7 on the hale kokua project after the project has ended. The
8 report shall contain findings and recommendations, including
9 recommendations on ways to encourage participating property
10 owners to commit to further participation in the project, as
11 well as details of the framework needed to implement the project
12 statewide, and any proposed legislation, to the legislature no
13 later than twenty days prior to the convening of the regular
14 session of 2035.

15 (k) Nothing contained in this section shall be deemed to
16 delegate or detract in any way from the functions, powers, and
17 duties prescribed by law for any other department or agency of
18 the State or counties, nor to interrupt or preclude the direct
19 relationships of any such department or agency in the
20 performance of such functions, powers, and duties.



1 §346- Hale kokua special fund. (a) There is
 2 established the hale kokua special fund to be administered by
 3 the department, to support the hale kokua project established
 4 pursuant to section 346- .

5 (b) The fund shall consist of:

6 (1) The percentage of the conveyance tax collected and
 7 allocated to the hale kokua special fund pursuant to
 8 section 247-7; and

9 (2) Moneys from any other private or public source;
 10 provided that mandates, regulations, or conditions on
 11 these funds do not conflict with the use of the
 12 special fund under this section; and provided further
 13 that the funds shall be deposited, used, and accounted
 14 for in accordance with the conditions established by
 15 the agency or person making the contribution.

16 (c) Moneys in the special fund shall be expended to
 17 support the hale kokua project, including paying for the
 18 incentives and assistance to private homeowners participating in
 19 the project and the necessary administrative expenses of the
 20 project."



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PART III

SECTION 3. Section 247-2, Hawaii Revised Statutes, is amended to read as follows:

"§247-2 **Basis and rate of tax.** The tax imposed by section 247-1 shall be based on the actual and full consideration (whether cash or otherwise, including any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit), paid or to be paid for all transfers or conveyance of realty or any interest therein, that shall include any liens or encumbrances thereon at the time of sale, lease, sublease, assignment, transfer, or conveyance, and shall be at the following rates:

(1) Except as provided in paragraph (2):

(A) [~~Ten~~] Fifteen cents per \$100 for properties with a value of less than \$600,000;

(B) [~~Twenty~~] Twenty-five cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000;

(C) [~~Thirty~~] Thirty-five cents per \$100 for properties with a value of at least \$1,000,000, but less than \$2,000,000;



- 1 (D) [~~Fifty~~] Fifty-five cents per \$100 for properties
- 2 with a value of at least \$2,000,000, but less
- 3 than \$4,000,000;
- 4 (E) [~~Seventy~~] Seventy-five cents per \$100 for
- 5 properties with a value of at least \$4,000,000,
- 6 but less than \$6,000,000;
- 7 (F) [~~Ninety~~] Ninety-five cents per \$100 for
- 8 properties with a value of at least \$6,000,000,
- 9 but less than \$10,000,000; and
- 10 (G) One dollar and five cents per \$100 for properties
- 11 with a value of \$10,000,000 or greater; and
- 12 (2) For the sale of a condominium or single family
- 13 residence for which the purchaser is ineligible for a
- 14 county homeowner's exemption on property tax:
- 15 (A) [~~Fifteen~~] Twenty cents per \$100 for properties
- 16 with a value of less than \$600,000;
- 17 (B) [~~Twenty-five~~] Thirty cents per \$100 for
- 18 properties with a value of at least \$600,000, but
- 19 less than \$1,000,000;



- 1 (C) [~~Forty~~] Forty-five cents per \$100 for properties
2 with a value of at least \$1,000,000, but less
3 than \$2,000,000;
- 4 (D) [~~Sixty~~] Sixty-five cents per \$100 for properties
5 with a value of at least \$2,000,000, but less
6 than \$4,000,000;
- 7 (E) [~~Eighty-five~~] Ninety cents per \$100 for
8 properties with a value of at least \$4,000,000,
9 but less than \$6,000,000;
- 10 (F) One dollar and [~~ten~~] fifteen cents per \$100 for
11 properties with a value of at least \$6,000,000,
12 but less than \$10,000,000; and
- 13 (G) One dollar and [~~twenty-five~~] thirty cents per
14 \$100 for properties with a value of \$10,000,000
15 or greater,
- 16 of [~~such~~] actual and full consideration; provided that in the
17 case of a lease or sublease, this chapter shall apply only to a
18 lease or sublease whose full unexpired term is for a period of
19 five years or more, and in those cases, including (where
20 appropriate) those cases where the lease has been extended or
21 amended, the tax in this chapter shall be based on the cash



1 value of the lease rentals discounted to present day value and
2 capitalized at the rate of six per cent, plus the actual and
3 full consideration paid or to be paid for any and all
4 improvements, if any, that shall include on-site as well as off-
5 site improvements, applicable to the leased premises; and
6 provided further that the tax imposed for each transaction shall
7 be not less than \$1."

8 SECTION 4. Section 247-7, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "§247-7 Disposition of taxes. All taxes collected under
11 this chapter shall be paid into the state treasury to the credit
12 of the general fund of the State, to be used and expended for
13 the purposes for which the general fund was created and exists
14 by law; provided that of the taxes collected each fiscal year:

- 15 (1) [~~Ten~~] _____ per cent or \$6,800,000, whichever is less,
16 shall be paid into the land conservation fund
17 established pursuant to section 173A-5; [~~and~~]
- 18 (2) [~~Fifty~~] _____ per cent or \$38,000,000, whichever is
19 less, shall be paid into the rental housing revolving
20 fund established by section 201H-202[-];i



- 1 (3) per cent for experimental or demonstration
- 2 housing projects authorized pursuant to section 356D-
- 3 11(e);
- 4 (4) per cent for experimental or demonstration
- 5 housing projects authorized pursuant to section 201H-
- 6 12; and
- 7 (5) per cent shall be paid into the hale kokua
- 8 special fund established pursuant to section 346- ."

PART IV

10 SECTION 5. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 6. If any provision of this Act, or the
14 application thereof to any person or circumstance, is held
15 invalid, the invalidity does not affect other provisions or
16 applications of the Act that can be given effect without the
17 invalid provision or application, and to this end the provisions
18 of this Act are severable.

19 SECTION 7. This Act shall take effect on January 1, 2020;
20 provided that on July 1, 2035, this Act shall be repealed and
21 sections 247-2 and 247-7, Hawaii Revised Statutes, shall be



H.B. NO. 1567

1 reenacted in the form in which they read on December 30, 2019;
 2 and provided further that the repeal of this Act shall not
 3 affect the right to recover outstanding grants under section
 4 346- , Hawaii Revised Statutes.

5

INTRODUCED BY:

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JAN 24 2019



H.B. NO. 1567

Report Title:

Homelessness; Department of Human Services; Hale Kokua Project

Description:

Establishes the fifteen-year Hale Kokua Project and Hale Kokua Special Fund under the Department of Human Services with the aim of incentivizing homeowners to provide rental units to homeless persons. Amends the basis and rate of tax, and disposition of the conveyance tax to support the Hale Kokua Special Fund.

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