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# 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 into which shall be deposited legislative  
9 appropriations.

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

13          **§356D-B Short-term rental assistance program. (a)** The  
14 authority may provide up to twenty-four months of rental  
15 assistance during any three-year period to an individual or  
16 family whose income does not exceed fifty per cent of the area  
17 median income.



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

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

16           (d) The authority shall not provide rental assistance  
17 unless the rent does not exceed the Fair Market Rent established  
18 by the United States Department of Housing and Urban Development  
19 and complies with the Department of Housing and Urban  
20 Development's standard 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, excluding late  
4 fees and pet fees; and, if the tenant pays separately for  
5 utilities, the monthly allowance established by the authority  
6 for utilities, excluding telephone.

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

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

15 (2) Include a provision requiring the owner to provide the  
16 authority with a copy of any notice issued to the  
17 program participant to vacate the housing unit or any  
18 complaint used under state law to commence an eviction  
19 action against the program participant, issued by or  
20 on behalf of the owner during the term of the  
21 agreement; and



1           (3) Contain the same payment due date, grace period, and  
2           late payment penalty requirements as the program  
3           participant's lease.

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

11          (f) Except for rental only assistance provided for rental  
12          arrears, each program participant receiving rental assistance  
13          shall possess a written lease for the rental unit, signed by the  
14          owner and program participant. For rental assistance provided  
15          solely for rental arrears, an oral rental agreement may be  
16          accepted in place of a written lease if the rental agreement  
17          grants the program participant an enforceable leasehold interest  
18          under state law and the agreement and rent owed are sufficiently  
19          documented by the owner's financial records, rent ledgers, or  
20          canceled checks. For program participants living in housing



1 with project-based rental assistance under paragraph (i) of this  
2 section, the lease shall have an initial term of one year.

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

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

- 13 (1) The program participant moves out of the housing unit  
14 for which the program participant is receiving rental  
15 assistance pursuant to this part;
- 16 (2) The applicable lease terminates and is not renewed; or
- 17 (3) The program participant becomes ineligible to receive  
18 rental assistance.

19 (h) If the authority identifies a permanent housing unit  
20 that meets the requirements of this subsection and becomes  
21 available before a program participant is identified to lease



1 the unit, the authority may enter into a rental assistance  
2 agreement with the owner to reserve the unit and subsidize the  
3 unit's rent in accordance with the following requirements:

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

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

19 (3) The authority may only make monthly rental assistance  
20 payments for each whole or partial month that an  
21 assisted unit is leased to a program participant.



1           When a program participant moves out of an assisted  
2           unit, the authority may pay the next month's rent for  
3           the unit as a payment of the first month's rent for a  
4           new program participant under paragraph (2) of this  
5           subsection.

6           (4) The program participant's lease shall not condition  
7           the term of occupancy to the provision of rental  
8           assistance payments. If the program participant is  
9           later determined to be ineligible or reaches the  
10          maximum number of months for which the authority has  
11          agreed to provide rental assistance, the authority  
12          shall suspend or terminate the rental assistance  
13          payments for the unit. If the payments are suspended  
14          pursuant to this paragraph, the individual or family  
15          may remain in the assisted unit as permitted under the  
16          lease, and the authority may resume payments if the  
17          individual or family again becomes eligible and needs  
18          further rental assistance. If the payments are  
19          terminated pursuant to this paragraph, the rental  
20          assistance may be transferred to another available  
21          unit in the same building; provided that this other



1 unit shall meet all of the requirements of this  
2 section.

3 (5) The rental assistance agreement shall have an initial  
4 term of one year. When a new program participant  
5 moves into an assisted unit, the term of the rental  
6 assistance agreement may be extended to cover the  
7 initial term of the program participant's lease. If  
8 the program participant's lease is renewed, the rental  
9 assistance agreement may be renewed or extended, as  
10 needed, up to the maximum number of months for which  
11 the program participant remains eligible.

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

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

19 SECTION 2. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so





1 much thereof as may be necessary for fiscal year 2020-2021 to be  
2 deposited into the short-term rental assistance revolving fund.

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

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

9 SECTION 4. In codifying the new sections added by section  
10 1 of this Act, the revisor of statutes shall substitute  
11 appropriate section numbers for the letters used in designating  
12 the new sections in this Act.

13 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)

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

