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# A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

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

1           SECTION 1. The legislature finds that homelessness  
2 continues to be one of Hawaii's most dire and persistent  
3 challenges. Native Hawaiians are disproportionately affected by  
4 the housing crisis. Although Native Hawaiians represent less  
5 than twenty percent of the State's population, according to the  
6 2020 point-in-time count, Native Hawaiians represent over half  
7 of all homeless individuals.

8           The legislature further finds that the Hawaiian Homes  
9 Commission Act 1920, as amended, was enacted by the United  
10 States Congress to distribute benefits to native Hawaiians.  
11 These benefits include establishing a government-sponsored  
12 homesteading program. The department of Hawaiian home lands has  
13 been granted the authority to lease, not sell, land to native  
14 Hawaiian beneficiaries and provide financial assistance.  
15 However, the legislature finds that, according to the 2020  
16 department of Hawaiian home lands applicant survey,  
17 approximately fifty per cent of applicants are considered "less



1 qualified" for a mortgage. Further, of those surveyed, thirteen  
 2 per cent desired to own a home and seven per cent desired a  
 3 Kupuna apartment or affordable rental. The legislature finds  
 4 that establishing a rent-with-option-to-purchase pilot program,  
 5 similar in nature to projects in Kapolei and west Hawaii island,  
 6 would greatly benefit native Hawaiian beneficiaries who are  
 7 homeless, or threatened with homelessness, and currently on the  
 8 department of Hawaiian home lands waiting list. The legislature  
 9 further finds that the department of Hawaiian home lands owns  
 10 lots that are available for development along the Leeward coast  
 11 of Oahu that might be suitable for this pilot program.

12 Accordingly, the purpose of this Act is to:

- 13 (1) Establish under the department of Hawaiian home lands  
 14 a rent-with-option-to-purchase pilot program on the  
 15 Leeward coast of Oahu to provide housing and services  
 16 to native Hawaiian beneficiaries, who are homeless, or  
 17 threatened with homelessness, and on the department of  
 18 Hawaiian home lands waiting list; and
- 19 (2) Appropriate funds to support the establishment of a  
 20 rent-with-option-to-purchase pilot program on the  
 21 Leeward coast of Oahu.



1 SECTION 2. (a) There is established the rent-with-option-  
2 to-purchase pilot program on the Leeward coast of Oahu under the  
3 department of Hawaiian home lands to provide rent-with-option-  
4 to-purchase individual or shared micro housing units and  
5 services to native Hawaiian beneficiaries who are homeless, or  
6 threatened with homelessness, and on the department of Hawaiian  
7 home lands waiting list. The department may determine other  
8 eligibility requirements as necessary to carry out the purposes  
9 of this Act.

10 (b) The department shall be authorized to purchase lands  
11 and shall retain the authority to determine which lands to use  
12 for the rent-with-option-to-purchase pilot program pursuant to  
13 chapter 91, Hawaii Revised Statutes.

14 (c) The department shall establish any terms, conditions,  
15 and requirements as necessary to facilitate the transfer of  
16 ownership in a unit to the lessee upon the expiration of the  
17 lease and the exercise of the option to purchase.

18 (d) The department may cooperate with any state  
19 departments or agencies and private nonprofit organizations as  
20 needed to expedite the development and operation of housing  
21 under the rent-with-option-to-purchase pilot program, including



1 agencies with specific expertise in construction development and  
2 agencies with specific expertise in administering homeless  
3 services. The department may construct individual or  
4 shared micro housing units, that shall be situated on the  
5 Leeward coast of Oahu.

6 (e) The department may coordinate with public or private  
7 entities, as appropriate, to develop and implement the rent-  
8 with-option-to-purchase pilot program; provided that:

9 (1) The department may work with the appropriate  
10 construction agency to ensure that the individual or  
11 shared micro housing units' infrastructure needs are  
12 met and minimize adverse impacts to the environment,  
13 including nearshore resources such as corals, reef  
14 fish, and seabirds;

15 (2) Use of the individual or shared micro housing units  
16 may be used for affordable housing through a deed  
17 restriction, easement, or other legally binding  
18 measure; and

19 (3) The communities may allow for off-the-grid  
20 technologies that can provide drinking water,



1 electricity, and process sewage without existing  
2 infrastructure.

3 (f) The rent-with-option-to-purchase pilot program may  
4 provide the following facilities and services:

5 (1) Secure dwelling spaces that:

6 (A) May be private or communal;

7 (B) Are designed aesthetically and constructed of  
8 quality materials;

9 (C) Have access to toilets, showers, and other  
10 hygiene facilities;

11 (D) Have access to adequate facilities that allow for  
12 cooking and meal preparation; and

13 (E) Have common spaces that build community and  
14 encourage sustainability.

15 (2) Medical and social support services; and

16 (3) Transportation to appointments related to medical care  
17 or supportive services that are not available onsite.

18 (g) The department may consult with the department of  
19 human services and department of health to administer the rent-  
20 with-option-to-purchase pilot program pursuant to this section.

21 (h) As used in this section:



1 "Department" means the department of Hawaiian home lands.

2 "Rent-with-option-to-purchase pilot program" means the  
3 pilot program on the Leeward coast of Oahu established under  
4 this Act, that provides individual or shared micro housing units  
5 and services to native Hawaiian beneficiaries who are homeless,  
6 or threatened with homelessness, and on the department of  
7 Hawaiian home lands waiting list.

8 "Leeward coast" means lands on the island of Oahu west of  
9 Kapolei.

10 "Threatened with homelessness" means lacking the resources  
11 to maintain the mortgage, utility, taxes, or other expenses  
12 associated with owning a traditional department of Hawaiian home  
13 lands property.

14 (i) Nothing in this Act shall be inconsistent with, or  
15 contrary to, any act of the Hawaiian Homes Commission Act 1920,  
16 as amended, or any regulation promulgated or standard  
17 established pursuant thereto.

18 (j) The rent-with-option-to-purchase pilot program shall  
19 not be implemented with any funds from the \$600,000,000  
20 appropriation made to the department of Hawaiian home lands  
21 pursuant to Act 279, Session Laws of Hawaii 2022.



1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ \_\_\_\_\_ or so  
3 much thereof as may be necessary for fiscal year 2023-2024 and  
4 the same sum or so much thereof as may be necessary for fiscal  
5 year 2024-2025 to establish and administer the rent-with-option-  
6 to-purchase pilot program on the Leeward coast of Oahu.

7 The sums appropriated shall be expended by the department  
8 of Hawaiian home lands for the purposes of this Act.

9 SECTION 4. This Act shall take effect on July 1, 2023.



**Report Title:**

Department of Hawaiian Home Lands; Rent-With-Option-To-Purchase Pilot Program; Leeward Coast of Oahu; Homelessness; Housing; Services; Appropriation

**Description:**

Requires the Department of Hawaiian Home Lands to establish the Rent-With-Option-To-Purchase Pilot Program on the Leeward Coast of Oahu to provide rent-with-option-to-purchase individual or shared micro housing units and services to native Hawaiian beneficiaries who are homeless, or threatened with homelessness, and who are on the Department of Hawaiian Home Lands waiting list. Appropriates funds. (SD1)

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

