

RELATING TO HOUSING RESILIENCY.

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

1 SECTION 1. The purpose of this Act is to establish the
2 strengthen Hawaii homes program, which will be dedicated to
3 retrofitting residential properties to:

4 (1) Enhance those properties' resilience against disaster
5 impacts; and

6 (2) Reduce potential insurance liabilities.

7 SECTION 2. The Hawaii Revised Statutes is amended by
8 adding a new chapter to title 13 to be appropriately designated
9 and to read as follows:

10 "CHAPTER

11 STRENGTHEN HAWAII HOMES ACT

12 § -1 **Short title.** This Act shall be known and may be
13 cited as the Strengthen Hawaii Homes Act.

14 § -2 **Definitions.** As used in this chapter:

15 "Department" means the department of business, economic
16 development, and tourism.



1 "Disaster" includes floods, hurricanes, tornadoes, Kona low
2 storms, windstorms, wildfire, high water, wind-driven water,
3 tidal wave, tsunami, landslide, mudslide, earthquakes, and other
4 causes as determined by the department.

5 "Nonprofit organization" means an entity that is recognized
6 as a tax-exempt organization under the Internal Revenue Code and
7 is registered to do business in the State.

8 "Program" means the strengthen Hawaii homes program.

9 "Residential property" means an owner-occupied,
10 single-family, primary residence in the State. "Residential
11 property" does not include a condominium or mobile home.

12 **§ -3 Strengthen Hawaii homes program; established. (a)**

13 There is established within the department the strengthen Hawaii
14 homes program, under which the department shall provide grants
15 to modify and strengthen existing residential properties to
16 improve their resilience to disasters and reduce potential
17 insurance liabilities.

18 (b) Implementation of the program shall be subject to the
19 availability of funds. The department shall use its best
20 efforts to obtain grants or other funding from the federal
21 government or other funding sources to supplement any moneys



1 appropriated by the legislature to the department for the
2 program.

3 (c) Nothing in this chapter shall be construed as creating
4 an entitlement for residential property owners or obligating the
5 State in any way to fund the inspection, construction, or
6 retrofitting of residential properties.

7 § -4 Strengthen Hawaii homes program administrator and
8 requirements. (a) The department may delegate the powers and
9 responsibilities incurred under this chapter to a third party as
10 necessary.

11 (b) The department, without regard to chapter 103D, may
12 contract with a third party to operate and manage the program.

13 (c) A third party contracted pursuant to this section
14 shall be subject to oversight by the department and shall report
15 to the department twice a year and upon request of the
16 department.

17 (d) A third party contracted pursuant to this section
18 shall satisfy the qualification requirements established by the
19 department, including having experience and expertise in:

20 (1) Residential resilience technologies and methods; and



1 (2) Identifying, developing, administering, and
2 implementing residential resilience management and
3 community-based infrastructure programs.

4 (e) The duties and responsibilities of a third party
5 contracted under this section shall be established by the
6 department.

7 **§ -5 Grants; applications; eligibility.** (a)

8 Applications for grants shall be filed electronically in the
9 form and manner prescribed by the department and shall contain
10 such information required by the department. At minimum, an
11 application shall show:

- 12 (1) The name of the requesting individual applicant;
13 (2) The purpose for the grant;
14 (3) The address of the single-family home requesting to
15 receive the grant;
16 (4) The tax map key number of the single-family home;
17 (5) The proposed plan to comply with the program if the
18 applicant receives a grant pursuant to this section;
19 (6) Receipt of the licenses and permits necessary to carry
20 out activities performed pursuant to the proposed
21 plan;



- 1 (7) A proposed timeline for compliance with the program;
- 2 (8) A declaration that the grant shall only be used for
- 3 activities that are consistent with the purpose of the
- 4 program and this chapter; and
- 5 (9) The applicant's household income does not exceed one
- 6 hundred forty per cent of the area median income.
- 7 (b) To be eligible for a grant under the program, a person
- 8 shall:
- 9 (1) Establish that the property is a residential property
- 10 and not a condominium or mobile home;
- 11 (2) Establish that the residential property is in good
- 12 repair; provided that this paragraph shall not
- 13 disqualify residential property that has been damaged
- 14 by a disaster;
- 15 (3) Consult with an evaluator to conduct the property
- 16 evaluation required by section -7, and submit the
- 17 results of the evaluation to the department;
- 18 (4) Agree to allow the department to inspect or reinspect
- 19 the residential property, including by conducting
- 20 random inspections or reinspections; and



1 (5) Meet any other requirements set forth by the
2 department for the specific grant the applicant is
3 seeking; provided that the department shall not
4 establish requirements relating to a residential
5 property's insurance coverage.

6 (c) The department may require a person to submit
7 documentation or a written affirmation to verify that the person
8 meets the requirements of subsection (b).

9 (d) Grant applications shall be accepted on a first-come,
10 first-served basis within each income tier as established by the
11 department.

12 (e) Priority for the award of grants shall be given to
13 applicants:

14 (1) Whose households have an income of no more than one
15 hundred forty per cent of the area median income as
16 determined by the United States Department of Housing
17 and Urban Development; and

18 (2) Who meet any other criteria that the department
19 determines is appropriate to meet the purposes of the
20 program.



1 (f) Any entity that provides moneys to the program may
2 establish additional rules and guidelines under which those
3 moneys may be used; provided that the rules and guidelines do
4 not violate any federal or state law.

5 (g) The department shall clearly explain the terms of each
6 grant offered under the program for the purpose of ensuring
7 transparency and equity in the allocation of funds.

8 (h) Documents, materials, and other information submitted
9 to the department by residential property owners or insurance
10 companies in support of a grant application shall be
11 confidential and, notwithstanding any other law to the contrary,
12 shall not be:

- 13 (1) Subject to disclosure under chapter 92F;
14 (2) Subject to subpoena;
15 (3) Subject to discovery; or
16 (4) Admissible as evidence in any private civil action.

17 **§ -6 Availability of funds for nonprofit organizations.**

18 (a) If the department obtains grants or other funds under rules
19 that authorize the funds to be issued to nonprofit
20 organizations, then the department, by contract, may make moneys



1 available to nonprofit organizations that retrofit residential
2 properties to resist loss due to disasters.

3 (b) Any contract with a nonprofit organization under this
4 section shall require the nonprofit organization to agree to:

5 (1) Administer the moneys under the same terms that would
6 be applicable if the moneys were administered by the
7 department under this chapter; and

8 (2) Allow the department, legislative committees and their
9 staff, and auditor full access to the nonprofit
10 organization's records, reports, files, and other
11 related documents and information for the purposes of
12 monitoring, measuring the effectiveness of, and
13 ensuring the proper expenditure of funds.

14 **§ -7 Evaluation of residential property by evaluator.**

15 (a) A person who owns residential property and who seeks to
16 retrofit that residential property under this chapter shall
17 select an evaluator from a list of evaluators published by the
18 department pursuant to section -8 to conduct the evaluation
19 required by subsection (b).



1 (b) The evaluator shall examine the person's residential
2 property and shall identify all improvements necessary for the
3 residential property to achieve the following standards:

4 (1) Insurance Institute for Business and Home Safety
5 FORTIFIED Roof;

6 (2) Insurance Institute for Business and Home Safety
7 FORTIFIED Silver;

8 (3) Insurance Institute for Business and Home Safety
9 FORTIFIED Gold; or

10 (4) Any similar standard approved by the department;
11 provided that if the evaluator determines that the residential
12 property is not able to be improved to meet any of the standards
13 described in this subsection, then the evaluator shall make a
14 determination that the residential property is not mitigable and
15 the residential property owner shall not be eligible for a grant
16 under this chapter.

17 (c) The residential property owner shall pay the evaluator
18 a fee, which shall be set by the department by rule.

19 § -8 Evaluators; eligibility; listing. (a) To serve as
20 an evaluator under this chapter, a person shall:



- 1 (1) Meet all program requirements established under this
- 2 chapter or the rules adopted under this chapter;
- 3 (2) Be in good standing with:
- 4 (A) The Insurance Institute for Business and Home
- 5 Safety and maintain an active Insurance Institute
- 6 for Business and Home Safety certification as a
- 7 FORTIFIED Home Evaluator; or
- 8 (B) Another organization approved by the department;
- 9 (3) Agree to follow program requirements established under
- 10 this chapter or the rules adopted under this chapter;
- 11 (4) Maintain with the department proof that the evaluator:
- 12 (A) Is registered to do business in the State; and
- 13 (B) Has an active Insurance Institute for Business
- 14 and Home Safety FORTIFIED Home Evaluator
- 15 certification or other certification approved by
- 16 the department;
- 17 (5) Maintain current and accurate contact information with
- 18 the department;
- 19 (6) Pay all fees associated with any certifications
- 20 required under this chapter, including any training
- 21 fees;



1 (7) Not have a financial interest in any project which the
2 person inspects for designation purposes pursuant to
3 this chapter;

4 (8) Not be a contractor or supplier of any materials,
5 products, or systems installed in any home that the
6 person inspects for purposes of this chapter;

7 (9) Not be a sales agent for any home being designated
8 under the program;

9 (10) Report to the department any conflicts of interest;
10 and

11 (11) Meet any other eligibility requirements established by
12 the department.

13 (b) The department shall publish and maintain on its
14 website a list of evaluators who meet the eligibility
15 requirements of this section.

16 § -9 Use of grant moneys; conditions. (a) The
17 residential property owner shall hire a contractor who meets the
18 standards set forth in section -10 to perform the
19 improvements necessary for the residential property to achieve
20 one of the designations specified in section -7(b).



1 (b) A retrofit project for which a grant is issued shall
2 be completed no later than six months after the date the
3 residential property owner receives notice of the grant
4 approval. Failure to complete a project within the required
5 timeframe may result in the forfeiture of the grant. For good
6 cause, the department may extend the timeframe for the
7 completion of the retrofit project.

8 (c) Grant funds shall not be paid until a certificate has
9 been issued for the FORTIFIED standard, pursuant to rules
10 adopted by the department. Grant moneys shall be paid by the
11 department, on behalf of the residential property owner,
12 directly to the contractor who performed the retrofit work;
13 provided that the department may delegate payment under this
14 subsection to another agency.

15 (d) A residential property owner shall be responsible for
16 any amount that is owed to a contractor that exceeds the amount
17 of awarded grant moneys.

18 (e) Grant moneys shall not be used for maintenance or
19 repairs, unless used in conjunction with repairs or
20 reconstruction necessary to address damage from a disaster.

21 (f) All retrofit activities shall comply with applicable:



- 1 (1) Building codes;
- 2 (2) Permitting and inspection requirements; and
- 3 (3) Standards established by the Insurance Institute for
- 4 Business and Home Safety FORTIFIED Homes Program or
- 5 other applicable standards under section -7(b).

6 (g) The department may conduct random inspections of

7 funds, records, and residential properties for the purposes of

8 preventing or detecting fraud.

9 § -10 **Contractors; eligibility.** (a) A person receiving

10 a grant under this chapter shall hire a contractor who meets the

11 eligibility requirements of subsection (b) to perform the

12 retrofit work.

13 (b) To be eligible to perform retrofit work under this

14 chapter, a contractor shall:

- 15 (1) Be certified by the Insurance Institute for Business
- 16 and Home Safety or another organization approved by
- 17 the department;
- 18 (2) Be capable of performing work that satisfies the
- 19 standards prescribed by this chapter and any rules
- 20 adopted under this chapter;



- 1 (3) Meet all program requirements established under this
2 chapter and any rules adopted under this chapter;
- 3 (4) Maintain with the department proof that the
4 contractor:
- 5 (A) Is licensed under chapter 444;
- 6 (B) Is registered to do business in the State;
- 7 (C) Maintains a general liability policy of \$500,000
8 in liability coverage;
- 9 (D) Maintains workers' compensation as required by
10 law; and
- 11 (E) Has an active Insurance Institute for Business
12 and Home Safety FORTIFIED roof contractor
13 certification or FORTIFIED professional
14 certification, or another certification approved
15 by the department;
- 16 (5) Maintain current and accurate contact information with
17 the department;
- 18 (6) Have no record of disciplinary action by the
19 contractors license board;



- 1 (7) Pay all fees associated with any certifications
2 required under this chapter, including any training
3 fees;
- 4 (8) Agree to follow all policies and procedures required
5 by the department;
- 6 (9) Not have a financial interest in any project funded by
7 the program for which the contractor is performing
8 work, other than receiving payment on behalf of the
9 homeowner from the program;
- 10 (10) Report to the department any conflicts of interest
11 before work commences;
- 12 (11) Not be the evaluator for any project funded under the
13 program; and
- 14 (12) Meet any other eligibility requirements established by
15 the department.

16 (c) The department shall not endorse or provide
17 preferential treatment to any contractor.

18 **§ -11 Strengthen Hawaii homes program special fund. (a)**

19 There is established the strengthen Hawaii homes program special
20 fund within the state treasury, into which shall be deposited:



- 1 (1) Federal moneys received for the program or designated
2 for deposit into the special fund;
- 3 (2) Moneys received by the department from grants or other
4 funding sources designated for deposit into the
5 special fund;
- 6 (3) Fees collected pursuant to this chapter;
- 7 (4) Appropriations by the legislature into the special
8 fund;
- 9 (5) Any interest earned on moneys in the special fund; and
- 10 (6) Moneys from any other sources designated for deposit
11 into the special fund.

12 (b) Moneys from the strengthen Hawaii homes program
13 special fund, subject to the availability of moneys in the fund,
14 including from federal sources, grants, and other contributions,
15 shall be available to the department for the purposes of the
16 program. Expenditures from the fund shall comply with the
17 requirements of this chapter.

18 § -12 **Annual reports.** No later than twenty days prior
19 to the convening of each regular session, the department shall
20 submit a report to the legislature that includes:



- 1 (1) The number of homes retrofitted under the program
2 during the previous year;
- 3 (2) Revenues and expenditures from the strengthen Hawaii
4 homes program special fund;
- 5 (3) Changes in vulnerability and insurance accessibility
6 observed by the department, including short-term and
7 long-term trends; and
- 8 (4) Any other findings and recommendations, including any
9 proposed legislation.

10 **§ -13 Rules.** The department shall adopt rules pursuant
11 to chapter 91 necessary to implement this chapter, including
12 rules that address eligibility requirements, application
13 procedures, procedures for appeals, conditions on the use of
14 funds, and fees."

15 SECTION 3. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2025-2026 to be
18 deposited into the strengthen Hawaii homes program special fund.

19 SECTION 4. There is appropriated out of the strengthen
20 Hawaii homes program special fund the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2025-2026 for
2 the strengthen Hawaii homes program.

3 The sum appropriated shall be expended by the department of
4 business, economic development, and tourism for the purposes of
5 this Act.

6 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

DBEDT; Strengthen Hawaii Homes Act; Housing; Disaster
Resiliency; Grants; Special Fund; Appropriation

Description:

Establishes the Strengthen Hawaii Homes Program within the Department of Business, Economic Development, and Tourism to administer grants to retrofit residential properties to enhance resilience against disaster impacts and reduce potential insurance liabilities. Establishes the Strengthen Hawaii Homes Program Special Fund. Appropriates funds. Effective 7/1/3000. (HD1)

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