

A Bill for an Act Relating to the Homeless.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the Hale Kokua pilot project was first passed by the legislature six years ago as Act 279, Session Laws of Hawaii 1992. The pilot project represented an ambitious effort to implement an innovative, yet inexpensive, community-based initiative aimed at addressing the growing problem of homelessness in Hawaii. The purpose of the pilot project was to authorize the payment of various state incentives to interested homeowners who set aside new or existing rental units on their properties to provide shelter for individuals or families classified as “employed but homeless”. Initially designed as a two-year pilot project focusing on the island of Oahu, the law was amended in 1993 to encompass the entire State and extend its repeal date to July 1, 1997.

Fully aware of the potential of the Hale Kokua concept, the legislature proceeded in 1997, once again, to extend the law for three additional years—to July 1, 2000. The provision to extend the Hale Kokua project was incorporated into an omnibus bill calling for the consolidation of all state housing functions into a single agency. To provide sufficient time to plan and implement the reorganization, the bill was scheduled to take effect one year after its approval on July 1, 1998.

Because the Hale Kokua project was scheduled for repeal on July 1, 1997, a special early enactment clause was added to the bill to ensure the renewal of the project by June 30, 1997—one day prior to its scheduled termination. Unfortunately, an unintentional error in the final draft of the bill resulted in the misnumbering of several citations in the bill—including the citation calling for the early enactment of the Hale Kokua extension provision. Due to this oversight, the section cited by the early enactment clause did not correspond to the Hale Kokua extension provision in the bill.

H.B. No. 143, H.D. 2, S.D. 1, C.D. 1, was signed into law on July 3, 1997—three days after the termination of the Hale Kokua project. The unintentional error caused the Hale Kokua program to lapse. The legislature finds that the Hale Kokua program should still play a valuable role in providing housing and job-training for the State’s homeless population. The purpose of this Act is to reinstate the Hale Kokua program as a permanent program under the housing and community development corporation of Hawaii.

SECTION 2. Part IV of chapter 201G, Hawaii Revised Statutes, is amended as follows:

1. By designating sections 201G-451 to 201G-465 as subpart A and inserting a title before section 201G-451 to read:

“A. General Provisions”

2. By adding a new subpart to be appropriately designated and to read as follows:

“B. Hale Kokua Program

§201G- Findings and purpose. The legislature finds that the issue of homelessness should be regarded as one of the State’s most significant social problems. The severity of the problem is visible in every area of the State, and evidence that the problem is escalating is becoming more and more apparent. The problem of homelessness impacts everyone, and the burden of rectifying this problem should be approached comprehensively and as a collective responsibility.

The purpose of this subpart is to establish a homeless assistance program known as the "Hale Kokua" program which would authorize the payment of a state grant and a monthly rent supplement to any interested property owner who sets aside any existing rental space or undertakes the improvement or construction of any adjoining or separate dwelling unit for the purpose of renting the unit to any family or individual classified as employed but homeless under the program for a period of five years.

The program will place a priority on assisting homeless families in the greatest need. To ensure that no particular district or community of the State is unduly burdened by the sudden influx of homeless families holding rental contracts with qualified homeowners under the program, the number of homeowners authorized to take part in the Hale Kokua program will be limited to ten per census tract.

The Hale Kokua program will assist homeless families and individuals who are willing to engage in self-improvement programs and regular employment with an alternative to living in homeless shelters where homeless families as well as the special needs homeless are indiscriminately grouped together. Developing the employment skills of participating tenants is an integral component of the program.

Accordingly, the program will allow other available programs to focus more intently on the special needs of the homeless. The program also calls for the establishment of a cooperative effort between the State, the counties, and the federal government to provide the community and the Hale Kokua program with the resources and the incentives to eliminate the condition of homelessness. Since the Hale Kokua program involves the public and private sectors, the cost of implementing this program should be far less than the cost of building new homeless shelter facilities.

The program has the potential to drastically reduce the actual number of homeless families and individuals living in public areas, to ultimately provide full and free access to Hawaii's malls, streets, parks, and campgrounds. As a result, Hawaii's overall quality of life will be enriched and Hawaii's reputation as one of the most beautiful visitor destinations will be enhanced.

§201G- Definitions. As used in this subpart, unless the context clearly requires otherwise:

"Administrator" means the state homeless section administrator.

"Employed but homeless" means any person that is homeless as defined in subpart A who is employed at a minimum of nineteen hours a week or participates in an employment training program and does volunteer work for a total of nineteen hours per week until employment can be found.

§201G- Hale Kokua program; established. There is established, within the housing and community development corporation of Hawaii, a homeless assistance program known as the "Hale Kokua" program, to provide incentives and assistance to private homeowners throughout the State who set aside existing dwelling units, or construct or renovate dwelling units, for rental for a period of five years by families or individuals classified as employed but homeless. The program shall be headed by the state homeless section administrator. The executive director of the housing and community development corporation of Hawaii shall administer the Hale Kokua program and adopt the standards and framework necessary to implement the program statewide after the initial phase of the program.

§201G- Powers and duties. (a) The executive director of the corporation shall appoint a state homeless section administrator to carry out the purposes of this subpart and coordinate all programs and responses of state agencies relating to the problem of homelessness. The administrator, with approval of the executive direc-

tor, may contract with private services to carry out the duties and responsibilities of the program.

Notwithstanding any other law to the contrary, any contracts entered into by the administrator with a private sector entity pursuant to this subsection shall not be subject to chapters 76, 77, and 89. This subsection shall apply to contracts entered into by the state homeless programs coordinator with private sector entities pursuant to Act 279, Session Laws of Hawaii 1992, section 3, before the effective date of this section.

(b) Under the supervision of the executive director, the duties of the administrator or contracted agency shall include:

- (1) Carrying out the requirements of the Hale Kokua program under this subpart;
- (2) Developing and adopting the requirements, eligibility qualifications, registration, background check, initial screening procedures, and procedures for follow-up after placement to determine the ability to make rental payments and the need for social services and referrals for homeless families and individuals to qualify them as tenants under this program;
- (3) Developing and adopting the requirements, qualifications, and the registration procedures for property owners who provide rental housing to qualified homeless tenants; provided that priority shall be given to those not requesting construction grants;
- (4) Developing appropriate procedures to address potential liabilities of the State; and adopting the procedures to place qualified homeless tenants with property owners participating in the program. Participating property owners shall interview and make final tenant selection from lists of prospective tenants compiled by the administrator or the contracted agency;
- (5) Establishing the procedures and requirements for the disbursement of building improvement grants and rental subsidies and the amounts thereof to property owners participating in the program;
- (6) Working with the counties to develop and propose uniform incentives to encourage and facilitate the participation of property owners, including real property tax waivers or reductions, and exemptions in zoning or building code requirements which shall be conditioned on participation in the program and which shall lapse when program participation ends;
- (7) Monitoring the financial status and progress of homeless tenants and cooperating with other agencies in establishing and coordinating job training, and other programs to help tenants to progress toward self-sufficiency;
- (8) Promoting and assisting in the development of employer-employee relationships between homeless tenants and participating property owners, including but not limited to tenant caretaker, housekeeper, or groundskeeper employment situations;
- (9) Working towards securing financial, in-kind, and administrative assistance from law enforcement and other state and county agencies and the private sector to implement the program;
- (10) Working towards securing funding assistance from federal agencies and programs involved in housing development, job-training, or homeless assistance;
- (11) Monitoring the progress of the Hale Kokua program, and collecting annual statistics showing the numbers of homeless people, homeless

- families, and homeless children, using appropriate measurement systems; and
- (12) Preparing recommendations to improve and expand the program, including but not limited to incentives for participating property owners to sign up for additional terms.

§201G- Homeowner participation; limitation; payments and assistance. (a) The administrator shall limit the participation of not more than ten property owners within each census tract at any given period in time, without regard to the existence or operation of shelters and other facilities to aid the homeless in the tract. The administrator or contracted agency shall notify prospective participants registered on the waiting list in each census tract of the opportunity to participate in the program as these opportunities may arise in each tract.

(b) Assistance to any qualified property owner providing rental housing to any homeless tenant under this subpart for a period of five years shall include, but not be limited to, at least one of the following:

- (1) The payment of a state grant to offset the cost of renovating, building any adjoining addition, or constructing any separate structure upon the premises of the owner's property in preparation for its use as a homeless assistance unit under the program;
- (2) The payment of a monthly state rent subsidy to supplement the monthly rental payments made by the homeless tenant;
- (3) Real property tax rate waivers or reductions proposed by the administrator and approved by the council of the county in which the property is located;
- (4) Zoning and building code exemptions applicable to the construction of adjoining or separate dwelling units on the owner's property, provided that the county, by ordinance, may establish minimum development and construction standards for these units and procedures for approval thereto; and
- (5) Other incentives consistent with the purposes of this Act to assist in the participation of property owners under the program that are adopted by the state homeless programs administrator.

§201G- Early withdrawal from program; recovery of grant. (a) Any property owner who withdraws without just cause from the Hale Kokua program prior to five years shall return the state grant for construction improvements within ninety days of the date of withdrawal. The administrator shall effect the recovery of the grant, including but not limited to the filing of liens against the real property of withdrawing property owners. The administrator shall be awarded reasonable attorneys' fees and costs as determined by the court in any action brought to enforce this subpart.

(b) The respective county government whose jurisdiction includes the site shall determine the disposition of the additional unit constructed with the grant.

§201G- Availability of funding. All rental subsidies, grants, and payments allocated by the Hale Kokua program under this subpart shall be subject to the availability of funds."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 14, 1998.)