



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

GOV. MSG. NO. **630**

May 16, 2006

The Honorable Robert Bunda, President  
and Members of the Senate  
Twenty-Third State Legislature  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on May 16, 2006, the following bill was signed into law:

HB2176 HD2 SD2 CD1

A BILL FOR AN ACT RELATING TO HOUSING.  
(ACT 100)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

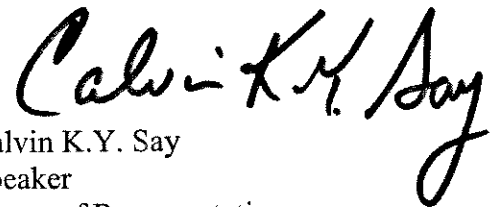
LINDA LINGLE

HB No. 2176 HD 2 SD 2 CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K.Y. Say  
Speaker  
House of Representatives

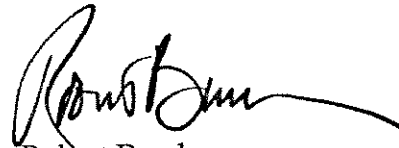


Patricia Mau-Shimizu  
Chief Clerk  
House of Representatives

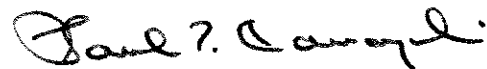
THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda  
President of the Senate



Paul Kawaguchi  
Clerk of the Senate

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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 PART I

2 SECTION 1. Act 196, Session Laws of Hawaii 2005 (Act 196),  
3 was passed by the legislature to address Hawaii's affordable  
4 housing and homeless crisis. Act 196 provided a number of  
5 mechanisms and incentives to increase the supply of low-income  
6 rental housing. In addition, the legislature, recognizing that  
7 more meaningful solutions to Hawaii's housing and homeless  
8 crisis were needed, established a joint legislative housing and  
9 homeless task force to further identify near-term solutions to  
10 Hawaii's affordable housing and homeless problem.

11 The task force spent many hours researching data and  
12 meeting with state and county officials, private developers, and  
13 nonprofit organizations on Oahu, the Big Island, Kauai, and Maui  
14 and also held public hearings and briefings in each county. The  
15 task force relied on the information collected in developing its  
16 recommendations.

17 The purpose of this part is to implement many of the  
18 recommendations of the task force.



## 1 PART II

## 2 THE HOMELESS

3 SECTION 2. Chapter 201G, Hawaii Revised Statutes, is  
4 amended by adding a new section in part IV to be appropriately  
5 designated and to read as follows:

6 "§201G- Temporary emergency housing. (a) In addition  
7 to any other duties prescribed by law, the administration shall  
8 develop, in consultation with the four counties, a procedure for  
9 identifying locations that shall be used for temporary emergency  
10 shelters for homeless individuals and families. The  
11 administration shall actively partner with and monitor the  
12 efforts of the counties.

13 (b) Each county shall be responsible for partnering with  
14 nonprofit organizations to locate, designate, and maintain the  
15 areas that shall be used for temporary emergency shelters. The  
16 designated locations may include private, county, and state  
17 lands and federal lands at Kalaeloa.

18 (c) The administration shall pursue and secure Barbers  
19 Point Barracks as temporary housing for homeless families and  
20 individuals.

21 (d) The administration shall submit an annual report to  
22 the legislature detailing the activities and outcomes under this



1 section no later than twenty days prior to the convening of each  
2 regular session beginning with the 2007 regular session."

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the following sums, or so much  
5 thereof as may be necessary for fiscal year 2006-2007, to assist  
6 the counties in implementing section 201G- (b), Hawaii Revised  
7 Statutes, and this Act:

8	City and county of Honolulu	\$2,000,000
9	County of Kauai	\$ 400,000
10	County of Maui	\$ 400,000
11	County of Hawaii	\$ 400,000
12	Total	\$3,200,000

13 The sums appropriated shall be expended by the department  
14 of budget and finance for the purposes of this Act.

15 SECTION 4. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$10,000,000 or so  
17 much thereof as may be necessary for fiscal year 2006-2007 to  
18 repair and modernize existing federal and state buildings for  
19 transitional shelters and emergency shelters, as defined under  
20 section 201G-451, Hawaii Revised Statutes.

21 The sum appropriated shall be expended by the Hawaii public  
22 housing administration for the purposes of this section.



1 SECTION 5. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$500,000 or so much  
3 thereof as may be necessary for fiscal year 2006-2007 as a grant  
4 pursuant to chapter 42F, Hawaii Revised Statutes, to Hawaii  
5 Helping the Hungry Have Hope (H5) for a pilot program to provide  
6 mobile temporary housing for the homeless.

7 The sum appropriated shall be expended by the department of  
8 human services for the purposes of this section.

9 SECTION 6. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$690,000 or so much  
11 thereof as may be necessary for fiscal year 2006-2007 as a grant  
12 pursuant to chapter 42F, Hawaii Revised Statutes, to Kauai  
13 Economic Opportunity, Inc. for a homeless emergency shelter and  
14 wastewater system for the homeless emergency shelter,  
15 transitional housing, and related buildings.

16 The sum appropriated shall be expended by the department of  
17 human services for the purposes of this section.

18 SECTION 7. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$2,100,000 or so much  
20 thereof as may be necessary for fiscal year 2006-2007 as a grant  
21 pursuant to chapter 42F, Hawaii Revised Statutes, to Ohana Ola O  
22 Kahumana for the construction of a community center at the



1 transitional housing program for homeless families with  
2 dependent children.

3 The sum appropriated shall be expended by the department of  
4 human services for the purposes of this section.

5 SECTION 8. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$599,161 or so much  
7 thereof as may be necessary for fiscal year 2006-2007 as a grant  
8 pursuant to chapter 42F, Hawaii Revised Statutes, to the Ohana  
9 Family of the Living God for a pilot project for temporary  
10 mobile shelters.

11 The sum appropriated shall be expended by the department of  
12 labor and industrial relations for the purposes of this section.

13 SECTION 9. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$300,000 or so much  
15 thereof as may be necessary for fiscal year 2006-2007 as a grant  
16 pursuant to chapter 42F, Hawaii Revised Statutes, to the Victory  
17 Ohana Prison Fellowship to assist the mentally ill, parolees,  
18 and substance abusers who are homeless.

19 The sum appropriated shall be expended by the department of  
20 public safety for the purposes of this section.

21 SECTION 10. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$68,920 or so much



1 thereof as may be necessary for fiscal year 2006-2007 as a grant  
2 pursuant to chapter 42F, Hawaii Revised Statutes, to the Victory  
3 Ohana Prison Fellowship to purchase a computer system to  
4 establish a classroom for educational and job assistance for the  
5 mentally ill, parolees, and substance abusers who are homeless.

6 The sum appropriated shall be expended by the department of  
7 public safety for the purposes of this section.

8 SECTION 11. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$65,500 or so much  
10 thereof as may be necessary for fiscal year 2006-2007 as a grant  
11 pursuant to chapter 42F, Hawaii Revised Statutes, to Victory  
12 Ohana Prison Fellowship to purchase a solar energy system for  
13 the emergency shelter.

14 The sum appropriated shall be expended by the department of  
15 public safety for the purposes of this section.

16 SECTION 12. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$180,000 or so much  
18 thereof as may be necessary for fiscal year 2006-2007 as a grant  
19 pursuant to chapter 42F, Hawaii Revised Statutes, to Catholic  
20 Charities for the Maili Land Transitional Housing Program.

21 The sum appropriated shall be expended by the department of  
22 human services for the purposes of this section.





1 SECTION 13. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$2,000,000 or so much  
3 thereof as may be necessary for fiscal year 2006-2007 as a grant  
4 pursuant to chapter 42F, Hawaii Revised Statutes, to Child and  
5 Family Service for the construction of emergency and  
6 transitional housing for abused families with dependent  
7 children.

8 The sum appropriated shall be expended by the judiciary for  
9 the purposes of this section.

10 SECTION 14. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$5,000,000 or so much  
12 thereof as may be necessary for fiscal year 2006-2007 as a grant  
13 pursuant to chapter 42F, Hawaii Revised Statutes, to the Hawaii  
14 Coalition of Christian Churches for the development of a housing  
15 project to include emergency, transitional, and low-income  
16 rental housing and related services in Waianae.

17 The sum appropriated shall be expended by the department of  
18 human services for the purposes of this section.

19 SECTION 15. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$50,000 or so much  
21 thereof as may be necessary for fiscal year 2006-2007 as a grant



1 pursuant to chapter 42F, Hawaii Revised Statutes, to the Street  
2 Beat, Inc., to provide outreach services to the homeless.

3 The sum appropriated shall be expended by the department of  
4 human services for the purposes of this section.

5 SECTION 16. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$80,000 or so much  
7 thereof as may be necessary for fiscal year 2006-2007 as a grant  
8 pursuant to chapter 42F, Hawaii Revised Statutes, to the county  
9 of Hawaii department of parks and recreation for transportation  
10 for the homeless and disabled.

11 The sum appropriated shall be expended by the county of  
12 Hawaii for the purposes of this section.

13 SECTION 17. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$5,000,000 or so much  
15 thereof as may be necessary for fiscal year 2006-2007 to  
16 renovate homeless shelters and transitional housing and provide  
17 homeless services.

18 The sum appropriated shall be expended by the Hawaii public  
19 housing authority for the purposes of this section.

20 PART III

21 LOW-INCOME AND AFFORDABLE HOUSING



1 SECTION 18. Section 201G-232, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§201G-232 Housing owner defined.** As used in this  
4 subpart, the term "housing owner" means:

5 (1) A private nonprofit corporation or other private  
6 nonprofit legal entity, a limited dividend corporation  
7 or other limited dividend legal entity, or a  
8 cooperative housing corporation, that is a mortgagor  
9 under section 202, 207, 213, 221(d)(3), 221(d)(5), or  
10 231 of the National Housing Act, as amended, or that  
11 conforms to the standards of those sections but that  
12 is not a mortgagor under those sections or any other  
13 private mortgagor under the National Housing Act, as  
14 amended, for very low income, low-income, or moderate-  
15 income family housing, regulated or supervised under  
16 federal or state laws or by political subdivisions of  
17 the State, or agencies thereof, as to rents, charges,  
18 capital structure, rate of return, and methods of  
19 operation, from the time of issuance of the building  
20 permit for the project; ~~and~~

21 (2) Any other owner of a standard housing unit or units  
22 deemed qualified by the administration~~(-)~~; and



1        (3) The administration."

2        SECTION 19. Section 201G-233, Hawaii Revised Statutes, is  
3 amended to read as follows:

4        "**§201G-233 Qualified tenant defined.** As used in this  
5 subpart, the term "qualified tenant" means any single person or  
6 family, pursuant to criteria and procedures established by the  
7 administration, that has been determined to have an income not  
8 exceeding the very low income limit as determined by the  
9 administration pursuant to rules adopted by the administration;  
10 provided that the qualified tenant's primary place of residence  
11 shall be in the State of Hawaii or that the qualified tenant  
12 intends to make the State of Hawaii the qualified tenant's  
13 primary place of residence. The terms "qualified tenant" and  
14 "tenant" include a member of a cooperative who satisfies the  
15 foregoing requirements and who, upon resale of the member's  
16 membership to the cooperative, will not be reimbursed for more  
17 than fifty per cent of any equity increment accumulated through  
18 payments under this subpart. With respect to members of a  
19 cooperative, the terms "rental" and "rental charges" mean the  
20 charges under the occupancy agreements between the members and  
21 the cooperative. [~~The term "qualified tenant" shall not include~~  
22 ~~any person receiving money payments for public assistance from~~



1 ~~the department of human services; provided that the term "public~~  
2 ~~assistance" shall exclude aid provided through the federal~~  
3 ~~Supplemental Security Income Program.]"~~

4 SECTION 20. Section 201G-432, Hawaii Revised Statutes, is  
5 amended by amending subsection (i) to read as follows:

6 "(i) For the period commencing July 1, 2005, through June  
7 30, ~~[2007,]~~ 2009, the fund may be used to provide grants for  
8 rental units set aside for persons and families with incomes at  
9 or below thirty per cent of the median family income in any  
10 project financed in whole or in part by the fund in proportion  
11 of those units to the total number of units in the project. At  
12 the conclusion of the period described in this subsection, the  
13 administration shall report to the legislature on the number and  
14 use of grants provided and whether the grants were an effective  
15 use of the funds for purposes of developing rental housing for  
16 families at or below thirty per cent of median family income."

17 SECTION 21. Section 247-7, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "**§247-7 Disposition of taxes.** All taxes collected each  
20 fiscal year under this chapter shall be paid into the state  
21 treasury to the credit of the general fund of the State, to be  
22 used and expended for the purposes for which the general fund



1 was created and exists by law; provided that of the taxes  
2 collected each fiscal year:

3 (1) Ten per cent shall be paid into the land conservation  
4 fund established pursuant to section 173A-5;

5 (2) [~~Thirty~~] Fifty per cent shall be paid into the rental  
6 housing trust fund established by section 201G-432;  
7 and

8 (3) Twenty-five per cent shall be paid into the natural  
9 area reserve fund established by section 195-9;  
10 provided that the funds paid into the natural area  
11 reserve fund shall be annually disbursed by the  
12 department of land and natural resources in the  
13 following priority:

14 (A) To natural area partnership and forest  
15 stewardship programs after joint consultation  
16 with the forest stewardship committee and the  
17 natural area reserves system commission;

18 (B) Projects undertaken in accordance with watershed  
19 management plans pursuant to section 171-58 or  
20 watershed management plans negotiated with  
21 private landowners, and management of the natural



1 area reserves system pursuant to section 195-3;  
2 and  
3 (C) The youth conservation corps established under  
4 chapter 193."

5 SECTION 22. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$700,000 or so much  
7 thereof as may be necessary for fiscal year 2006-2007 as a  
8 grant-in-aid to the Hawaii Habitat for Humanity Association to  
9 establish a zero interest revolving loan fund to be used to  
10 provide loans to low-income families to build self-help  
11 ownership homes on leased from the State and administered in  
12 accordance with subpart B of part III of chapter 201G, Hawaii  
13 Revised Statutes.

14 The sum appropriated shall be expended by the Hawaii  
15 housing finance and development administration for the purposes  
16 of this part.

17 SECTION 23. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$350,000 or so much  
19 thereof as may be necessary for fiscal year 2006-2007 as a grant  
20 pursuant to chapter 42F, Hawaii Revised Statutes, to the  
21 Nanakuli Housing Corporation for Project Hana Hou.



1           The sum appropriated shall be expended by the Hawaii public  
2 housing administration for the purposes of this part.

3           SECTION 24. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$225,000 or so much  
5 thereof as may be necessary for fiscal year 2006-2007 as a grant  
6 pursuant to chapter 42F, Hawaii Revised Statutes, to the Hawaii  
7 Homeownership Center to provide homebuyer education and  
8 counseling on Oahu, Kauai, and Hawaii.

9           The sum appropriated shall be expended by the Hawaii  
10 housing finance and development corporation for the purposes of  
11 this section.

12           SECTION 25. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$490,000 or so much  
14 thereof as may be necessary for fiscal year 2006-2007 as a grant  
15 pursuant to chapter 42F, Hawaii Revised Statutes, to Lokahi  
16 Pacific for mixed-use affordable rental housing and economic  
17 development project.

18           The sum appropriated shall be expended by the Hawaii  
19 housing finance and development corporation for the purposes of  
20 this section.





## 1 PART IV

2 SECTION 26. In its final report dated January 2006, the  
3 joint legislative housing and homeless task force expressed  
4 concern that the inventory of affordable housing rental units is  
5 at risk of being reduced. Affordable rental housing projects  
6 built in part with government subsidies have been offered for  
7 sale at market prices in anticipation of the expiration of  
8 income and regulatory restrictions encumbering the property.  
9 The task force is committed to ensuring that these units remain  
10 affordable to persons at lower income levels.

11 In recent months, media reports have announced several  
12 affordable housing projects that may be offered for sale, such  
13 as the Kulana Nani apartments in Kaneohe, Oahu, that offer  
14 affordable rental housing.

15 The purpose of this part is to preserve Kulana Nani as an  
16 affordable rental housing project.

17 SECTION 27. The Hawaii housing finance and development  
18 administration shall make available, without competitive award,  
19 public financing resources to assist a potential buyer of the  
20 land currently owned by Kamehameha Schools; provided that one  
21 hundred per cent of the housing units on the property shall be  
22 retained in perpetuity as affordable housing for households at



1 or below the current income restrictions for rental housing  
2 units on the property.

3 SECTION 28. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$1,500,000 or so much  
5 thereof as may be necessary for fiscal year 2006-2007 for land  
6 acquisition of the Kulana Nani property, tax map key 4-6-31:15,  
7 owned by Kamehameha Schools.


8 The sum appropriated shall be expended by the Hawaii  
9 housing finance and development administration for the purposes  
10 of this part.

11 PART V

12 SECTION 29. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 30. This Act shall take effect on July 1, 2006;  
15 provided that on June 30, 2007, section 21 shall be repealed and  
16 section 247-7, Hawaii Revised Statutes, shall be reenacted in  
17 the form in which it read on the day before the approval of this  
18 Act.

APPROVED this 16 day of MAY, 2006



GOVERNOR OF THE STATE OF HAWAII

