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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1                                   **PART I. PUBLIC HOUSING; GRANDPARENTS**

2   **RAISING GRANDCHILDREN**

3           SECTION 1. Section 201G-1, Hawaii Revised Statutes, is  
4 amended by adding a new definition to be appropriately inserted  
5 and to read as follows:

6           ""Relative caregiver" means a relative of a minor child by  
7 blood or marriage, who is a resident of the State and:

- 8           (1) Lives with the child; and  
9           (2) Is the child's primary caregiver, whether formally or  
10           informally, because the biological or adoptive parents  
11           are unwilling or unable to serve as the primary  
12           caregiver for the child."

13           SECTION 2. Section 201G-1, Hawaii Revised Statutes, is  
14 amended by amending the definition of "elder or elderly  
15 households"-to read as follows:

16           ""Elder or elderly households" means households in which at  
17 least one member is sixty-two years of age, the spouse or  
18 partner has attained the age of majority, and the remaining



1 members have attained the age of fifty-five years at the time of  
 2 application to the public housing project[-]; provided that it  
 3 also may include households in which an elder is the relative  
 4 caregiver for one or more minor children. Such a child shall  
 5 cease to be a resident of the household upon attaining the age  
 6 of majority, or upon the removal from the project of the elder.  
 7 A live-in aide shall cease to be a resident therein upon the  
 8 recovery of, or removal from the project of, the elder."

9 SECTION 3. Section 201G-42, Hawaii Revised Statutes, is  
 10 amended to read as follows:

11 "**§201G-42 Housing, tenant selection[-]; grandparents.** (a)  
 12 Subject to the [~~following~~] limitations and preferences[~~]~~ set  
 13 forth in this section, the administration shall select tenants  
 14 upon the basis of those in greatest need for such housing.

15 (b) The administration may limit the tenants of any  
 16 housing project to classes of persons when required by federal  
 17 law or regulation as a term or condition of obtaining assistance  
 18 from the federal government.

19 (c) Within the priorities established by the  
 20 administration recognizing need, veterans with a permanent  
 21 disability of ten per cent or more as certified by the United  
 22 States Department of Veterans' Affairs, the dependent parents of



1 the veteran and the deceased veteran's widow shall be given  
2 first preference.

3 (d) Five per cent of state low-income public housing units  
4 shall be set aside as rentals for grandparents who are the  
5 primary caregiver for one or more of their grandchildren;  
6 provided that teacher housing under subpart G shall be  
7 excluded."

8 SECTION 4. Section 201G-152, Hawaii Revised Statutes, is  
9 amended by amending subsection (a) to read as follows:

10 "(a) In the administration of elder or elderly public  
11 housing, the administration shall observe the following with  
12 regard to resident selection, dwelling accommodations, and  
13 rentals:

14 (1) Except as hereinafter provided, it shall accept only  
15 elder or elderly households as residents in the elder  
16 or elderly public housing projects[+], except as  
17 provided in section 201G-42(d);

18 (2) It may accept as residents in any housing unit one or  
19 more persons, related or unrelated by marriage. It  
20 may also accept as a resident in any dwelling  
21 accommodation or in any elder or elderly public  
22 housing project, in the case of illness or other



1           disability of an elder who is a resident in the  
2           dwelling accommodation or in the elder or elderly  
3           public housing project, a person designated by the  
4           elder as the elder's live-in aide whose qualifications  
5           as a live-in aide are verified by the administration,  
6           although the person is not an elder; provided that the  
7           person shall cease to be a resident therein upon the  
8           recovery of, or removal from the elder or elderly  
9           public housing project of, the elder;

10       (3) It may rent or lease to an elder a dwelling  
11       accommodation consisting of any number of rooms as the  
12       administration deems necessary or advisable to provide  
13       safe and sanitary accommodations to the proposed  
14       resident or residents thereof without overcrowding;  
15       and

16       (4) Notwithstanding that the elder has no written rental  
17       agreement or that it has expired, so long as the elder  
18       continues to tender the usual rent to the  
19       administration or proceeds to tender receipts for rent  
20       lawfully withheld, no action or proceeding to recover  
21       possession of the dwelling unit may be maintained  
22       against the elder, nor shall the administration



1 otherwise cause the elder to quit the dwelling unit  
 2 involuntarily, demand an increase in rent from the  
 3 elder, or decrease the services to which the elder has  
 4 been entitled during hospitalization of the elder due  
 5 to illness or other disability."

6 **PART II. REPAIR AND MAINTENANCE OF PUBLIC HOUSING**

7 SECTION 5. The legislature finds that repair and  
 8 maintenance expenses hinders the State's efforts to provide  
 9 affordable public rental housing. This directly affects the  
 10 State's ability to provide housing for the homeless. It has  
 11 been reported that there are 760 vacant public housing units,  
 12 about half of which require major renovations.

13 The purpose of this part is to appropriate funds for the  
 14 repair and maintenance of public housing units.

15 SECTION 6. There is appropriated out of state low income  
 16 housing revolving fund under section 201G-45, Hawaii Revised  
 17 Statutes, sum of \$ , or so much thereof as may be  
 18 necessary for fiscal year 2006-2007, for repair and maintenance  
 19 of public housing projects.

20 The sum appropriated shall be expended by the housing and  
 21 community development corporation of Hawaii for the purposes of  
 22 this Act.



**PART III. CONSTRUCTION OF INFRASTRUCTURE FOR  
TRANSITIONAL HOUSING**

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the following sums for transitional housing:

- (1) The sum of \$ \_\_\_\_\_, or so much thereof as may be necessary for fiscal year 2006-2007, for design and construction of new transitional shelters, as defined in section 201G-451, Hawaii Revised Statutes; and
- (2) The sum of \$ \_\_\_\_\_, or so much thereof as may be necessary for fiscal year 2006-2007, for maintenance and repair of existing transitional shelters, as defined in section 201G-451, Hawaii Revised Statutes.

The sums appropriated shall be expended by the housing and community development corporation of Hawaii for the purposes of this Act.

**PART IV. SUPPORT SERVICES FOR HOMELESS SHELTERS**

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ \_\_\_\_\_, or so much thereof as may be necessary for fiscal year 2006-2007, for support services for the homeless population located at homeless shelters.



1 much thereof as may be necessary for fiscal year 2006-2007, for  
2 the shelter plus care program.

3 The sum appropriated shall be expended by the housing and  
4 community development corporation of Hawaii for the purposes of  
5 this Act.

6 **PART VI. HOUSING PLACEMENT PROGRAM**

7 SECTION 11. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$ , or so  
9 much thereof as may be necessary for fiscal year 2006-2007, for  
10 housing placement program for the homeless population.

11 The sum appropriated shall be expended by the housing and  
12 community development corporation of Hawaii for the purposes of  
13 this Act.

14 **PART VII. HOME OWNERSHIP PROJECT; HABITAT**  
15 **FOR HUMANITY**

16 SECTION 12. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$ , or so  
18 much thereof as may be necessary for fiscal year 2006-2007, for  
19 homeownership project of the Habitat for Humanity, to prevent  
20 homelessness.



1 The sum appropriated shall be expended by the housing and  
2 community development corporation of Hawaii for the purposes of  
3 this Act.

4 **PART VIII. RENTAL HOUSING TRUST FUND**

5 SECTION 13. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$30,000,000, or so  
7 much thereof as may be necessary for fiscal year 2006-2007 for  
8 deposit into the rental housing trust fund under section  
9 201G-432, Hawaii Revised Statutes.

10 The sum appropriated shall be expended by the housing and  
11 community development corporation of Hawaii for purposes of this  
12 Act.

13 **PART IX. BOND ISSUANCE FOR AFFORDABLE HOUSING**

14 SECTION 14. The director of finance is authorized to issue  
15 general obligation bonds in the sum of \$ , or so much  
16 thereof as may be necessary, and the same sum, or so much  
17 thereof as may be necessary, is appropriated for fiscal year  
18 2006-2007 for the purpose of development of affordable housing.

19 The bond issuance shall be finance projects of for-profit  
20 and non-profit entities or organizations for development of  
21 mixed use projects; provided that per cent of such  
22 projects shall be reserved for persons and families below fifty



1 per cent of the state median income level, and per cent  
2 shall be reserved for persons and families below thirty per cent  
3 of the state median income level.

4 SECTION 15. The appropriation made for the capital  
5 improvement project authorized by this part shall not lapse at  
6 the end of the fiscal biennium for which the appropriation is  
7 made; provided that all moneys from the appropriation  
8 unencumbered as of June 30, 2008, shall lapse as of that date.

9 SECTION 16. The sum appropriated shall be expended by the  
10 housing and community development corporation of Hawaii pursuant  
11 to section 201G-113(e), Hawaii Revised Statutes, for purposes of  
12 this Act.

13 **PART X. RENTAL INCOME SUPPLEMENT PROGRAM**

14 SECTION 17. The legislature finds that the current level  
15 of the rent supplement for eligible tenants is set at  
16 approximately \$168 per month. The legislature further finds  
17 that this amount is woefully inadequate.

18 The purpose of this part is to raise the State's rental  
19 income supplement under the state rental supplement program, and  
20 to include add welfare recipients as being eligible for the  
21 program.



1 SECTION 18. Section 201G-233, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§201G-233 Qualified tenant defined.** As used in this  
4 subpart, the term "qualified tenant" means any single person or  
5 family, pursuant to criteria and procedures established by the  
6 administration, that has been determined to have an income not  
7 exceeding the very low income limit, exclusive of public  
8 assistance, as determined by the administration pursuant to  
9 rules adopted by the administration; provided that the qualified  
10 tenant's primary place of residence shall be in the State of  
11 Hawaii or that the qualified tenant intends to make the State of  
12 Hawaii the qualified tenant's primary place of residence. The  
13 terms "qualified tenant" and "tenant" include a member of a  
14 cooperative who satisfies the foregoing requirements and who,  
15 upon resale of the member's membership to the cooperative, will  
16 not be reimbursed for more than fifty per cent of any equity  
17 increment accumulated through payments under this subpart. With  
18 respect to members of a cooperative, the terms "rental" and  
19 "rental charges" mean the charges under the occupancy agreements  
20 between the members and the cooperative. The term "qualified  
21 tenant" shall not include any person receiving money payments  
22 for public assistance from the department of human services;



1 provided that the term "public assistance" shall exclude aid  
2 provided through the federal Supplemental Security Income  
3 Program."

4 SECTION 19. Section 201G-234, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "**§201G-234 Relationship of annual payment to rental and**  
7 **income.** The amount of the annual payment with respect to any  
8 dwelling unit shall not exceed the amount by which the fair  
9 market rental for that unit exceeds [~~thirty~~] per cent of  
10 the tenant's income as determined by the administration pursuant  
11 to procedures and regulations established by it."

12 **PART XI. LOW INCOME AND HOMELESS ADVOCATES**

13 SECTION 20. Section 201G-3, Hawaii Revised Statutes, is  
14 amended as follows:

15 1. By amending subsection (a) to read as follows:

16 "(a) There is created a board consisting of [~~nine~~] eleven  
17 members, of whom [~~eight~~] ten shall be public members appointed  
18 by the governor as provided in section 26-34. Public members  
19 shall be appointed from each of the counties of Honolulu,  
20 Hawaii, Maui, and Kauai. At least one public member shall be a  
21 person who is directly assisted by the administration under the  
22 federal low-rent public housing or federal section 8



1 tenant-based housing assistance payments program while serving  
 2 on the board. One public member shall be an advocate for  
 3 low-income persons. One public member shall be an advocate for  
 4 the homeless. The public members of the board shall serve  
 5 four-year staggered terms; provided that the initial  
 6 appointments shall be as follows: three members to be appointed  
 7 for four years; two members to be appointed for three years; and  
 8 three members to be appointed for two years. The director of  
 9 human services, or a designated representative, shall be an ex  
 10 officio voting member. The administration shall be headed by the  
 11 board."

12 2. By amending subsection (c) to read as follows:

13 "(c) [~~Five~~] Seven members shall constitute a quorum, whose  
 14 affirmative vote shall be necessary for all actions by the  
 15 administration. The members shall receive no compensation for  
 16 services, but shall be entitled to necessary expenses, including  
 17 travel expenses, incurred in the performance of their duties."

18 SECTION 21. Section 201H-3, Hawaii Revised Statutes, is  
 19 amended as follows:

20 1. By amending subsection (a) to read as follows:

21 "(a) There is created a board of directors of the Hawaii  
 22 housing finance and development administration consisting of



1 [nine] ten members, of whom [~~six~~] seven shall be public members  
2 appointed by the governor as provided in section 26-34. At  
3 least four of the public members shall have knowledge and  
4 expertise in public or private finance and development of  
5 affordable housing. One public member shall be an advocate for  
6 the homeless. Public members shall be appointed from each of the  
7 counties of Honolulu, Hawaii, Maui, and Kauai. At least one  
8 public member shall represent community advocates for low-income  
9 housing, affiliated with private nonprofit organizations that  
10 serve the residents of low-income housing. The public members  
11 of the board shall serve four-year staggered terms; provided  
12 that the initial appointments shall be as follows:

- 13 (1) Two members to be appointed for four years;  
14 (2) Two members to be appointed for three years; and  
15 (3) Two members to be appointed for two years.

16 The director of business, economic development, and tourism and  
17 the director of finance, or their designated representatives, and  
18 a representative of the governor's office, shall be an ex officio  
19 voting member. The administration shall be headed by the board."

20 2. By amending subsection (c) to read as follows:

21 "(c) [~~Five~~] Six members shall constitute a quorum, whose  
22 affirmative vote shall be necessary for all actions by the



1 administration. The members shall receive no compensation for  
2 services, but shall be entitled to necessary expenses, including  
3 travel expenses, incurred in the performance of their duties."

4 PART XII

5 SECTION 22. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 23. This Act shall take effect upon its approval;  
8 provided that sections 6, 7, 8, 10, 11, 12, 13, and 14 shall  
9 take effect on July 1, 2006; and provided further that sections  
10 1-4 and 18-21 shall take affect on July 2, 2006.

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HB 2065

**Report Title:**

Affordable Housing; HCDCH

**Description:**

Requires public housing set asides for grandparents raising grandchildren; makes appropriations for repair and maintenance of public housing, improvements to infrastructure for new and existing transitional housing, support services provided by homeless shelters, shelter care plus program, housing placement program, habitat for humanity, and rental housing trust fund. Authorizes bond issuance for affordable housing. Allows public assistance recipients to receive rental income supplements. Increases rental income supplements. Increases membership on boards of HCDCH and HHFDA to include homeless advocate and low income advocate.

