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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

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

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

16           The purpose of this Act is to implement many of the  
17 recommendations of the task force.



1 SECTION 2. Section 201G-231, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~[f]~~**§201G-231**~~[f]~~ **Rent supplements.** (a) The administration  
4 is authorized to make, and contract to make, annual payments to  
5 a "housing owner" on behalf of a "qualified tenant", as those  
6 terms are defined in this subpart, in such amounts and under  
7 such circumstances as are prescribed in ~~[or pursuant to this~~  
8 ~~subpart. No payment on behalf of a qualified tenant shall~~  
9 ~~exceed a segregated amount of \$160 a month.]~~ rules adopted by  
10 the administration.

11 (b) The administration is authorized to use state rent  
12 supplement program funds for project-based operating subsidies  
13 for state low-income housing units that are transferred by the  
14 administration to private organizations for the purpose of  
15 managing and operating the units; provided that fifty per cent  
16 of the units shall be rented to persons or families whose income  
17 shall not exceed fifty per cent of the median family income as  
18 determined by the United States Department of Housing and Urban  
19 Development; and provided further that the remainder of the  
20 units shall be rented to persons or families whose income shall  
21 not exceed eighty per cent of the median family income as



1 determined by the United States Department of Housing and Urban  
2 Development."

3 SECTION 3. Section 201G-232, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§201G-232 Housing owner defined.** As used in this  
6 subpart, the term "housing owner" means:

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



- 1 (2) Any other owner of a standard housing unit or units
- 2 deemed qualified by the administration[-]; and
- 3 (3) The administration."

4 SECTION 4. Section 201G-233, Hawaii Revised Statutes, is  
5 amended to read as follows:

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



1 the cooperative. [~~The term "qualified tenant" shall not include~~  
2 ~~any person receiving money payments for public assistance from~~  
3 ~~the department of human services; provided that the term "public~~  
4 ~~assistance" shall exclude aid provided through the federal~~  
5 ~~Supplemental Security Income Program.] "~~

6 SECTION 5. Section 247-7, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "**§247-7 Disposition of taxes.** [~~All~~] Of the taxes  
9 collected each fiscal year under this chapter [~~shall be paid~~  
10 ~~into the state treasury to the credit of the general fund of the~~  
11 ~~State, to be used and expended for the purposes for which the~~  
12 ~~general fund was created and exists by law; provided that of the~~  
13 ~~taxes collected each fiscal year]~~:

- 14 (1) Ten per cent shall be paid into the land conservation  
15 fund established pursuant to section 173A-5;
- 16 (2) [~~Thirty~~] Sixty-five per cent shall be paid into the  
17 rental housing trust fund established by section 201G-  
18 432; and
- 19 (3) Twenty-five per cent shall be paid into the natural  
20 area reserve fund established by section 195-9;  
21 provided that the funds paid into the natural area  
22 reserve fund shall be annually disbursed by the



1 department of land and natural resources in the  
2 following priority:

- 3 (A) To natural area partnership and forest  
4 stewardship programs after joint consultation  
5 with the forest stewardship committee and the  
6 natural area reserves system commission;
- 7 (B) Projects undertaken in accordance with watershed  
8 management plans pursuant to section 171-58 or  
9 watershed management plans negotiated with  
10 private landowners, and management of the natural  
11 area reserves system pursuant to section 195-3;  
12 and
- 13 (C) The youth conservation corps established under  
14 chapter 193."

15 SECTION 6. Act 196, Session Laws of Hawaii 2005, is  
16 amended by adding a new section to the chapter established in  
17 section 20 of the Act to be appropriately designated and to read  
18 as follows:

19 "§ - Leases; self-help housing. (a) The  
20 administration may lease parcels it deems suitable for  
21 affordable housing at \$1 per year for up to fifty years to



1 organizations or community trusts that will develop the parcel  
2 with ownership units through self-help development.

3 (b) The administration shall have the discretion to renew  
4 the lease.

5 (c) Parcels leased under this section may be transferred  
6 or sublet; provided that the sale or sublease meets  
7 affordability restrictions established by the administration."

8 SECTION 7. No later than September 1, 2006, the Hawaii  
9 housing finance and development administration shall identify  
10 public lands under the control of any state agency that are  
11 suitable for affordable residential development. No later than  
12 December 1, 2006, the department of land and natural resources  
13 and any other state agency having control of any of the lands  
14 identified by the Hawaii housing finance and development  
15 administration shall initiate the transfer of the land to the  
16 Hawaii housing finance and development administration.

17 SECTION 8. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$20,000,000 or so  
19 much thereof as may be necessary for fiscal year 2006-2007 for  
20 grants-in-aid for homeless services and transitional housing  
21 programs; provided that any moneys remaining from the  
22 appropriation that have not been distributed as a grant-in-aid



1 by June 30, 2007, are appropriated to the Hawaii public housing  
2 administration for homeless programs.

3 The sum appropriated shall be expended by the Hawaii public  
4 housing administration for the purposes of this Act.

5 SECTION 9. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$10,000,000 or so  
7 much thereof as may be necessary for fiscal year 2006-2007 to  
8 repair and modernize vacant units in federal and state public  
9 housing projects.

10 The sum appropriated shall be expended by the Hawaii public  
11 housing administration for the purposes of this Act.

12 SECTION 10. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$400,000 or so much  
14 thereof as may be necessary for fiscal year 2006-2007 for  
15 interim construction loans for up to ten homes to be developed  
16 as self-help ownership homes by private organizations or  
17 community trusts on land leased from the State and administered  
18 in accordance with subpart B of part III of chapter 201G, Hawaii  
19 Revised Statutes.

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





1           SECTION 11. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 12. This Act shall take effect on July 1, 2010;  
4 provided that on June 30, 2011, section 5 shall be repealed and  
5 section 247-7, Hawaii Revised Statutes, shall be reenacted in  
6 the form in which it read on the day before the approval of this  
7 Act.



HB NO. 2176 HD 2

**Report Title:**

Housing Omnibus Bill

**Description:**

Authorizes State Rent Supplement Program funds to be used for operating subsidies for state low-income housing units transferred to private organizations to operate and manage the units. Increases the allocation of conveyance tax revenues to the Rental Housing Trust Fund. Allows state-owned parcels to be leased for the development of self-help housing. Provides for the transfer of public lands suitable for affordable residential development to the Hawaii Housing and Finance Development Administration. Appropriates funds for homeless and transitional housing programs. Appropriates funds to repair vacant public housing units. Appropriates funds for interim construction loans to develop self-help ownership homes.  
(HB2176 HD2)

