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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 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§201H- Land leases to nonprofit organizations  
5 providing affordable housing. (a) Notwithstanding any  
6 provision to the contrary, the administration may lease land to  
7 any qualified nonprofit organization providing affordable  
8 housing, under the following terms and conditions:

9 (1) Leases shall be for ninety-nine years at \$1 per year  
10 per parcel; and

11 (2) The instrument of lease shall include provisions,  
12 enforceable by the administration, that the land  
13 shall:

14 (A) Be used only for providing affordable housing  
15 through long-term, renewable, and transferable  
16 leases or other means that are in accordance with  
17 rules adopted by the administration under chapter  
18 91; and



- 1           (B) Revert back to the administration if:
- 2                 (i) The land is used for any purpose other than
- 3                         as provided under subparagraph (A); or
- 4                 (ii) The qualified nonprofit organization ceases
- 5                         operations.

6           (b) For the purposes of this section:  
7           "Affordable housing" means housing that is affordable to  
8 households with incomes at or below one hundred forty per cent  
9 of the median family income as determined by the United States  
10 Department of Housing and Urban Development.

11           "Qualified nonprofit organization" means any private entity  
12 that is organized and operated:

- 13           (1) In accordance with Section 501(c)(3) of the Internal
- 14                         Revenue Code; and
- 15           (2) For the purpose of providing affordable housing
- 16                         through long-term, renewable, and transferable leases
- 17                         or other means that are in accordance with rules
- 18                         adopted by the administration pursuant to this
- 19                         section."

20           SECTION 2. New statutory material is underscored.

21           SECTION 3. This Act shall take effect on July 1, 2006.

HB NO. 2964 HD 1

**Report Title:**

Nonprofits; Affordable Housing; Land Leases

**Description:**

Authorizes special leases of land to qualified nonprofit organizations providing affordable housing. (HB2964 HD1)

HB2964 HD1 HMS 2006-2449

