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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 providing  
5 affordable housing. (a) Notwithstanding any provision to the  
6 contrary, the administration may, pursuant to powers conferred  
7 upon it under section 201H-4(b), lease land to any qualified  
8 nonprofit organization providing affordable housing, under the  
9 following terms and conditions:

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

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

15           (A) Be used only for providing affordable housing  
16           through long-term, renewable, and transferable  
17           leases or other means that are in accordance with



1 rules adopted by the administration under chapter  
2 91; and

3 (B) Revert back to the administration if:

4 (i) The land is used for any purpose other than  
5 as provided under subparagraph (A); or

6 (ii) The qualified nonprofit organization ceases  
7 operations.

8 (b) For the purposes of this section:

9 "Affordable housing" means housing that is affordable to  
10 households with incomes at or below one hundred forty per cent  
11 of the median family income as determined by the United States  
12 Department of Housing and Urban Development.

13 "Qualified nonprofit organization" means any private entity  
14 that is organized and operated:

15 (1) In accordance with Section 501(c)(3) of the Internal  
16 Revenue Code; and

17 (2) For the purpose of providing affordable housing  
18 through long-term, renewable, and transferable  
19 leases."

20 SECTION 2. New statutory material is underscored.

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



HB2964,SD1

**Report Title:**

Nonprofits; Affordable Housing; Land Leases

**Description:**

Authorizes special leases of land to qualified nonprofit organizations providing affordable housing. (SD1)

