

# S.B. NO. 2317

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## A BILL FOR AN ACT

RELATING TO HOUSING FUNDS.

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

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

4           "§201G-     Protection of housing funds; flexible  
5 administration. (a) All money contained in the special funds,  
6 revolving funds, or trust funds listed in subsection (b) shall  
7 be used for the sole purposes set forth in their respective  
8 statutes, provided that if monies are appropriated, transferred,  
9 or lapsed for other purposes, the legislature shall include a  
10 declaration of findings and purposes setting forth the other  
11 purposes, the amounts, and the reasons why the appropriation,  
12 transfer, or lapse is necessary and shall require a two-thirds  
13 majority vote of each house of the legislature. (b) The  
14 special funds, revolving funds, and trust funds to which  
15 subsection (a) applies are as follows:

16           (1) State low-income housing revolving fund established  
17           under section 201G-45;

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- 1        (2) Teachers' housing revolving fund established under  
2        section 201G-142;
- 3        (3) Housing for elders revolving fund established under  
4        section 201G-153;
- 5        (4) Housing finance revolving fund as established under  
6        section 201G-170;
- 7        (5) Kikala-keokea housing revolving fund established under  
8        section 201G-170;
- 9        (6) Rental assistance revolving fund established under  
10       section 201G-223;
- 11       (7) Dwelling unit revolving fund established under section  
12       201G-411;
- 13       (8) Rental housing trust fund established under section  
14       201G-432; and
- 15       (9) Fee simple residential revolving fund established  
16       under section 516-744.
- 17       (c) With the approval of the governor, the Hawaii public  
18       housing administration and the Hawaii housing finance and  
19       development administration may make transfers between funds  
20       listed in subsection (b) to meet the needs of other programs  
21       within and between the two administrations. The governor shall  
22       notify the legislature within sixty days of any transfer and  
23       shall provide the amount of the anticipated shortfall, reasons

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1 for the shortfall, and any effects the transfer will have on  
2 other programs."

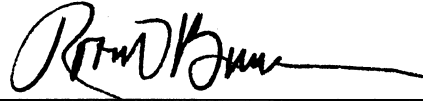
3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_



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BY REQUEST

# SB. NO. 2317

## JUSTIFICATION SHEET

DEPARTMENT: Office of the Governor

TITLE: A BILL FOR AN ACT RELATING TO HOUSING FUNDS.

PURPOSE: To require the legislature to provide a declaration of findings and purposes setting forth the other purposes for which housing funds are being appropriated, transferred, or lapses, when the housing funds are used for purposes other than those established for each fund in statute. The measure will also require a two-thirds majority vote of the legislature to approve the transfer or lapse of specified housing funds when they are used for other purposes; and the measure will allow the Hawaii public housing administration and the Hawaii housing finance and development administration to transfer funds between programs.

MEANS: Add a new section to Chapter 201G, Hawaii Revised Statutes.

JUSTIFICATION: Since 1995, \$208,870,984.66 has been raided from the housing funds: State Low Income Housing Revolving Fund; Teacher Housing Revolving Fund; Housing for Elders Revolving Fund; Housing Finance Revolving Fund; Kikala-Keokea Revolving Fund; Rental Assistance Revolving Fund; Dwelling Unit Revolving Fund; Rental Housing Trust Fund; and the Fee Simple Residential Revolving Fund.

The steady depletion of these nine housing funds, through raids and transfers, has caused the public trust and confidence in the availability and administration of these funds to wane. Due to this uncertainty, developers are hesitant to enter into agreements with the HCDCH to develop affordable housing and affordable housing rental units.

Impact on the public: Increased confidence in the availability of housing funds.

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Impact on the department and other agencies: The agency will have greater flexibility and predictability in the administration of housing programs and funds.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: None.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2006.