
A BILL FOR AN ACT

RELATING TO PUBLIC HOUSING.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§356D- Public housing; affordable in perpetuity.

5 Notwithstanding any law to the contrary, any public housing
6 project that is constructed or managed with state or county
7 funds for sale to qualified buyers or provided to qualified
8 tenants as rentals shall remain affordable in perpetuity,
9 subject to any restrictions and conditions provided by law that
10 are not contrary to the purposes of this section."

11 SECTION 2. Section 356D-31, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "~~§~~356D-31~~§~~ **Rentals and tenant selection.** (a) In the
14 operation or management of federal public housing projects, the
15 authority (acting directly or by an agent or agents) at all
16 times shall observe the following duties with respect to rentals
17 and tenant selection:



- 1 (1) It may establish maximum limits of annual net income
2 for tenant selection in any public housing project,
3 less such exemptions as may be authorized by federal
4 regulations pertaining to public housing. The
5 authority may agree to conditions as to tenant
6 eligibility or preference required by the federal
7 government pursuant to federal law in any contract for
8 financial assistance with the authority;
- 9 (2) It may rent or lease the dwelling units therein only
10 at rentals within the financial reach of persons who
11 lack the amount of income that it determines to be
12 necessary to obtain safe, sanitary, and uncongested
13 dwelling accommodations within the area of operation
14 of the authority and to provide an adequate standard
15 of living; and
- 16 (3) It may rent or lease to a tenant a dwelling consisting
17 of the number of rooms (but no greater number) that it
18 deems necessary to provide safe and sanitary
19 accommodations to the proposed occupants thereof,
20 without overcrowding.
- 21 (b) Nothing in this part shall be construed as limiting
22 the power of the authority to:



1 (1) Vest in an obligee the right, in the event of a
2 default by the authority, to take possession of a
3 public housing project or cause the appointment of a
4 receiver thereof, free from all the restrictions
5 imposed by this part with respect to rentals, tenant
6 selection, manner of operation, or otherwise; or

7 (2) Vest in obligees the right, in the event of a default
8 by the authority, to acquire title to a public housing
9 project or the property mortgaged by the authority,
10 free from all the restrictions imposed by this part.

11 (c) Notwithstanding any other law to the contrary, the
12 authority shall ensure that the dwelling units provided under
13 this part remain affordable in perpetuity; provided that such
14 enforcement is consistent with federal law."

15 SECTION 3. Section 356D-43, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[~~+~~]**§356D-43**[~~+~~] **Rentals.** (a) Notwithstanding any other
18 law to the contrary, the authority shall fix the rates of the
19 rentals for dwelling units and other facilities in state low-
20 income housing projects provided for by this subpart, at rates
21 that will produce revenues that will be sufficient to pay all
22 expenses of management, operation, and maintenance, including



1 the cost of insurance, a proportionate share of the
2 administrative expenses of the authority to be fixed by it, and
3 the costs of repairs, equipment, and improvements, to the end
4 that the state low-income housing projects shall be and always
5 remain self-supporting. The authority, in its discretion, may
6 fix the rates in amounts as will produce additional revenues (in
7 addition to the foregoing) sufficient to amortize the cost of
8 the state low-income housing project or projects, including
9 equipment, over a period or periods of time that the authority
10 may deem advisable.

11 (b) Notwithstanding any other law to the contrary, if:

12 (1) Any state low-income housing project or projects have
13 been specified in any resolution of issuance adopted
14 pursuant to part I;

15 (2) The income or revenues from any project or projects
16 have been pledged by the authority to the payment of
17 any bonds issued under part I; or

18 (3) Any of the property of any state low-income housing
19 project or projects is security for the bonds,

20 the authority shall fix the rates of the rentals for dwelling
21 units and other facilities in the state low-income housing
22 project or projects so specified or encumbered at increased



1 rates that will produce the revenues required by subsection (a)
2 and, in addition, those amounts that may be required by part I,
3 by any resolution of issuance adopted under part I, and by any
4 bonds or mortgage or other security issued or given under part
5 I.

6 (c) Notwithstanding any other law to the contrary, the
7 authority shall ensure that the dwelling units provided under
8 this part remain affordable in perpetuity."

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2020.



Report Title:

Housing; Affordability

Description:

Requires public housing projects and affordable housing funded by county or state funds to remain affordable in perpetuity. Effective 7/1/2020. (HB2238 HD1)

