

JAN 24 2007

A BILL FOR AN ACT

RELATING TO OMNIBUS HOUSING ACT.

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

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

4 "§201H- Downpayment loan program revolving fund. (a)

5 There is created within the state treasury a revolving fund to
6 be administered by the corporation and to be known as the
7 downpayment loan revolving fund.

8 (b) The downpayment loan revolving fund shall be funded
9 from the proceeds of general obligation bonds or other
10 appropriations, and shall be used to carry out the purposes of
11 subpart F, part III, of chapter 201H.

12 §201H- State rent supplement; subsidies. The
13 corporation may use state rent supplement program funds for
14 project-based operating subsidies for state low-income housing
15 units that are transferred by the administration to private
16 organizations for the purpose of managing and operating the
17 units; provided that fifty per cent of the units shall be rented



1 to persons or families whose income shall not exceed fifty per
2 cent of the median family income as determined by the United
3 States Department of Housing and Urban Development; and provided
4 further that the remainder of the units shall be rented to
5 persons or families whose income shall not exceed eighty per
6 cent of the median family income as determined by the United
7 States Department of Housing and Urban Development."

8 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
9 amended by adding a new section to part VI to be appropriately
10 designated and to read as follows:

11 **"§235- Affordable housing tax credit. (a) Each**
12 taxpayer subject to the tax imposed by this chapter, who has
13 filed a net income tax return for a taxable year, may claim an
14 affordable housing tax credit against the taxpayer's net income
15 tax liability. The amount of the credit shall be deductible
16 from the taxpayer's net income tax liability, if any, imposed by
17 this chapter for the taxable year in which the credit is
18 properly claimed on a timely basis. A credit under this section
19 shall not be claimed if the taxpayer claims a low-income housing
20 tax credit pursuant to section 235-110.8.



1 (b) The affordable housing tax credit shall be fifteen per
2 cent of the original project cost of each project calculated
3 pursuant to section 201H-40.

4 (c) The credit allowed under this section shall be claimed
5 against net income tax liability for the taxable year. For the
6 purpose of deducting this tax credit, net income tax liability
7 means net income tax liability reduced by all other credits
8 allowed the taxpayer under this chapter. A tax credit under
9 this section which exceeds the taxpayer's income tax liability
10 may be used as a credit against the taxpayer's income tax
11 liability in subsequent years until exhausted.

12 (d) All claims for a tax credit under this section must be
13 filed on or before the end of the twelfth month following the
14 close of the taxable year for which the credit may be claimed.
15 Failure to properly and timely claim the credit shall constitute
16 a waiver of the right to claim the credit. A taxpayer may claim
17 a credit under this section only if the project is a qualified
18 project approved and certified under section 201G-A.

19 (e) The director of taxation may adopt any rules under
20 chapter 91 and forms necessary to carry out this section."

21 SECTION 3. Section 201H-9, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "[+]§201H-9[+] Acquisition, use, and disposition of
2 property[-]; transfer of public lands. (a) The corporation may
3 acquire any real or personal property or interest therein by
4 purchase, exchange, gift, grant, lease, or other means from any
5 person or government to provide housing. Exchange of real
6 property shall be in accordance with section 171-50.

7 (b) The corporation may own or hold real property. All
8 real property owned or held by the corporation shall be exempt
9 from mechanic's or materialman's liens and also from levy and
10 sale by virtue of an execution, and no execution or other
11 judicial process shall issue against the same nor shall any
12 judgment against the corporation be a charge or lien upon its
13 real property; provided that this subsection shall not apply to
14 or limit the right of obligees to foreclose or otherwise enforce
15 any mortgage of the corporation or the right of obligees to
16 pursue any remedies for the enforcement of any pledge or lien
17 given by the corporation on its rents, fees, or revenues. The
18 corporation and its property shall be exempt from all taxes and
19 assessments.

20 (c) The corporation may lease or rent all or a portion of
21 any housing project and establish and revise the rents or
22 charges therefor. The corporation may sell, exchange, transfer,



1 assign, or pledge any property, real or personal, or any
2 interest therein to any person or government.

3 (d) Any public land, as defined in section 171-2, deemed
4 suitable for affordable residential development, shall be
5 transferred to the jurisdiction of the corporation for leases
6 for development of affordable housing, as defined in section
7 201H-57, subject to legislative authorization under section
8 171-60.

9 [~~d~~] (e) The corporation may insure or provide for the
10 insurance of its property or operations against risks as it
11 deems advisable."

12 SECTION 4. Section 235-55.7, Hawaii Revised Statutes, is
13 amended by amending subsection (c) to read as follows:

14 "(c) Each taxpayer with an adjusted gross income of less
15 than [~~\$30,000~~] \$50,000 who has paid more than \$1,000 in rent
16 during the taxable year for which the credit is claimed may
17 claim a tax credit of [~~\$50~~] \$75 multiplied by the number of
18 qualified exemptions to which the taxpayer is entitled; provided
19 that each taxpayer with an adjusted gross income less than
20 \$30,000 who has paid more than \$1,000 in rent during the taxable
21 year for which the credit is claimed may claim a tax credit of
22 \$100 multiplied by the number of qualified exemptions to which



1 the taxpayer is entitled; provided further, that each taxpayer
2 sixty-five years of age or over may claim double the tax credit;
3 and provided that a resident individual who has no income or no
4 income taxable under this chapter may also claim the tax credit
5 as set forth in this section."

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

8 "**§247-7 Disposition of taxes.** All taxes collected each
9 fiscal year under this chapter shall be paid into the state
10 treasury to the credit of the general fund of the State, to be
11 used and expended for the purposes for which the general fund
12 was created and exists by law; provided that of the taxes
13 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) [~~Fifty~~] Sixty-five per cent shall be paid into the
17 rental housing trust fund established by section
18 201G-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. Section 356D-44, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) The authority may decommission without giving notice
18 of intent to demolish, and offer any decommissioned low-income
19 public housing project, except for federal housing projects, to
20 nonprofit or for-profit organizations or government agencies for
21 rehabilitation into emergency or transitional shelter facilities
22 for the homeless or rehabilitation into rental units that set



1 aside at least fifty per cent of the units to persons or
2 families with incomes at or below fifty per cent of the area
3 median family income:

4 (1) The housing project is wholly owned by the State on
5 either state-owned or ceded lands;

6 (2) The authority has determined that the housing project
7 is not eligible for rehabilitation using the
8 authority's current resources; and

9 (3) The nonprofit or for-profit organization or government
10 agency demonstrates expertise in rehabilitation of
11 housing projects and has community, public, and
12 private resources to substantially pay for the
13 rehabilitation.

14 The land and improvements may be leased to the nonprofit or for-
15 profit organization or government agency for a period not to
16 exceed ninety-nine years for a sum of \$1 per year."

17 SECTION 7. Act 100, Session Laws of Hawaii 2006, is
18 amended by amending section 4 to read as follows:

19 "SECTION 4. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$10,000,000 or so
21 much thereof as may be necessary for fiscal year [2006-2007]
22 2007-2008 to repair [~~and modernize existing federal and state~~



1 ~~buildings for transitional shelters and emergency shelters, as~~
2 ~~defined under section 201G-451, Hawaii Revised Statutes.] to~~
3 repair vacant public housing; provided that any unexpended funds
4 from the 2006-2007 fiscal year under Act 100, Session Laws of
5 Hawaii 2006, shall be carried over for the 2007-2008 fiscal year
6 for purposes of this Act.

7 The sum appropriated shall be expended by the Hawaii public
8 housing administration for the purposes of this section."

9 SECTION 8. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$400,000 or so much
11 thereof as may be necessary for fiscal year 2007-2008, for
12 interim construction loans for up to ten homes to be developed
13 as self-help ownership homes by private organizations or
14 community trusts on land leased from the State and administered
15 in accordance with subpart B of part III of chapter 201H, Hawaii
16 Revised Statutes.

17 The sum appropriated shall be expended by the Hawaii
18 housing finance and development corporation for the purposes of
19 this Act.

20 SECTION 9. There is appropriated out of the downpayment
21 loan program revolving fund the sum of \$, or so much
22 thereof as may be necessary, for fiscal year 2007-2008, to carry



1 out the purposes of the downpayment loan program revolving fund
2 relating to direct downpayment loans to eligible borrowers.

3 The sum appropriated shall be expended by the Hawaii
4 housing finance and development corporation.

5 SECTION 10. The Hawaii housing finance and development
6 administration, with the approval of the director of finance and
7 the governor, is authorized pursuant to part III, chapter 39,
8 Hawaii Revised Statutes, and part III, chapter 201H, Hawaii
9 Revised Statutes, to issue general obligation bonds in an
10 aggregate principal amount not to exceed \$, at such
11 times and in such amounts as it deems advisable for the purpose
12 of carrying out the provisions of subpart F of part III of
13 chapter 201H, Hawaii Revised Statutes, relating to the
14 downpayment loan program.

15 The proceeds of such general obligation bonds shall be
16 deposited into the downpayment loan program revolving fund
17 created in section 201H- , Hawaii Revised Statutes, of section
18 1 of this Act.

19 SECTION 11. No later than September 1, 2006, the Hawaii
20 housing finance and development administration shall identify
21 public lands under the control of any state agency that are
22 suitable for affordable residential development. No later than



1 December 1, 2006, the department of land and natural resources
 2 and any other state agency having control of any of the lands
 3 identified by the Hawaii housing finance and development
 4 administration shall initiate the transfer of the land to the
 5 Hawaii housing finance and development administration.

6 SECTION 12. Statutory material to be repealed is bracketed
 7 and stricken. New statutory material is underscored.

8 SECTION 13. This Act shall take effect upon its approval;
 9 provided that section 5 shall take effect on June 29, 2007;
 10 provided that the amendments made to section 247-7, Hawaii
 11 Revised Statutes, shall not be repealed when that section is
 12 reenacted on June 30, 2007, by Act 100, Session Laws of Hawaii
 13 2006; and provided further that sections 8, 9, and 10 shall take
 14 effect on July 1, 2007.

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Report Title:

Housing Omnibus

Description:

Establishes downpayment loan program revolving fund.
Establishes state rent supplement program. Establishes
affordable housing tax credit. Raises conveyance tax percentage
deposit into rental housing trust fund. Requires public land
suitable for affordable residential housing to be transferred to
the Hawaii housing finance and development corporation. Deletes
intent to demolish requirement for decommissioning of public
housing units. Permits state-owned parcels to be leased for the
development of self-help housing. Makes appropriation for
repair of vacant public housing units. Makes appropriation for
development of self-help ownership homes. Makes appropriation
for downpayment loan program.

