
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the cyclical nature
2 of poverty perpetuates a lifestyle that is inherited from
3 generation to generation. Families born into poverty appear
4 hopelessly caught in a self-fulfilling prophecy of welfare and
5 public housing.

6 The purpose of this Act is to break this vicious cycle by
7 restricting public housing tenancy, except in certain cases, to
8 no more than five years. Although this policy may appear harsh,
9 this Act is intended to:

- 10 (1) Encourage and motivate upward economic mobility from
11 low to moderate income for families who are overly
12 dependent on public housing;
- 13 (2) Promote integrity in the public housing system to
14 prevent "homesteading" and multi-generational tenancy;
15 and
- 16 (3) Increase the supply of low income housing to address
17 the homeless problem in the State.



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

3 "~~[+]§356D-31[+]~~ **Rentals [and]; tenant selection[-]; rental**
4 **leases.** (a) In the operation or management of federal public

5 housing projects, the authority (acting directly or by an agent
6 or agents) at all times shall observe the following duties with
7 respect to rentals and tenant selection:

8 (1) It may establish maximum limits of annual net income
9 for tenant selection in any public housing project,
10 less such exemptions as may be authorized by federal
11 regulations pertaining to public housing. The
12 authority may agree to conditions as to tenant
13 eligibility or preference required by the federal
14 government pursuant to federal law in any contract for
15 financial assistance with the authority;

16 (2) It may rent or lease the dwelling units therein only
17 at rentals within the financial reach of persons who
18 lack the amount of income that it determines to be
19 necessary to obtain safe, sanitary, and uncongested
20 dwelling accommodations within the area of operation
21 of the authority and to provide an adequate standard
22 of living; and



1 (3) It may rent or lease to a tenant a dwelling consisting
2 of the number of rooms (but no greater number) that it
3 deems necessary to provide safe and sanitary
4 accommodations to the proposed occupants thereof,
5 without overcrowding.

6 (b) No tenant, except persons fifty-five years and older,
7 persons with a mental or physical disability, or retired for
8 medical reasons, shall rent, lease, or occupy any dwelling for
9 more than five years.

10 ~~(b)~~ (c) Nothing in this part shall be construed as
11 limiting the power of the authority to:

12 (1) Vest in an obligee the right, in the event of a
13 default by the authority, to take possession of a
14 public housing project or cause the appointment of a
15 receiver thereof, free from all the restrictions
16 imposed by this part with respect to rentals, tenant
17 selection, manner of operation, or otherwise; or

18 (2) Vest in obligees the right, in the event of a default
19 by the authority, to acquire title to a public housing
20 project or the property mortgaged by the authority,
21 free from all the restrictions imposed by this part."



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

3 "[~~§~~356D-43~~§~~] ~~Rentals~~~~[-]~~; rental leases. (a)

4 Notwithstanding any other law to the contrary, the authority
5 shall fix the rates of the rentals for dwelling units and other
6 facilities in state low-income housing projects provided for by
7 this subpart, at rates that will produce revenues that will be
8 sufficient to pay all expenses of management, operation, and
9 maintenance, including the cost of insurance, a proportionate
10 share of the administrative expenses of the authority to be
11 fixed by it, and the costs of repairs, equipment, and
12 improvements, to the end that the state low-income housing
13 projects shall be and always remain self-supporting. The
14 authority, in its discretion, may fix the rates in amounts as
15 will produce additional revenues (in addition to the foregoing)
16 sufficient to amortize the cost of the state low-income housing
17 project or projects, including equipment, over a period or
18 periods of time that the authority may deem advisable.

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

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



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

4 (3) Any of the property of any state low-income housing
5 project or projects is security for the bonds,
6 the authority shall fix the rates of the rentals for dwelling
7 units and other facilities in the state low-income housing
8 project or projects so specified or encumbered at increased
9 rates that will produce the revenues required by subsection (a)
10 and, in addition, those amounts that may be required by part I,
11 by any resolution of issuance adopted under part I, and by any
12 bonds or mortgage or other security issued or given under part
13 I.

14 (c) No tenant, except for persons fifty-five years and
15 older, persons with a mental or physical disability, or retired
16 for medical reasons, shall rent, lease, or occupy any dwelling
17 for more than five years."

18 SECTION 4. This Act shall not apply to any lease entered
19 into before its effective date.

20 SECTION 5. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect upon its approval.

2

INTRODUCED BY:

Rick J. Cuthrell

JAN 28 2009



Report Title:

Low Income Housing; Rental Leases

Description:

Restricts federal and state low income housing leases in certain cases, to no more than 5 years.

