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# 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-43, Hawaii Revised Statutes, is  
2 amended to read as follows

3 "[+]§356D-43[+] Rentals[-] leases. (a) Notwithstanding  
4 any other law to the contrary, the authority shall fix the rates  
5 of the rentals for dwelling units and other facilities in state  
6 low-income housing projects provided for by this subpart, at  
7 rates that will produce revenues that will be sufficient to pay  
8 all expenses of management, operation, and maintenance,  
9 including the cost of insurance, a proportionate share of the  
10 administrative expenses of the authority to be fixed by it, and  
11 the costs of repairs, equipment, and improvements, to the end  
12 that the state low-income housing projects shall be and always  
13 remain self-supporting The authority, in its discretion, may  
14 fix the rates in amounts as will produce additional revenues (in  
15 addition to the foregoing) sufficient to amortize the cost of  
16 the state low-income housing project or projects, including  
17 equipment, over a period or periods of time that the authority  
18 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 3. This Act shall not apply to any lease entered  
19 into before its effective date.

20 SECTION 4. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

22 SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Low-income Housing; Rental Leases

**Description:**

Restricts state low-income housing leases in certain cases, to no more than 5 years. (HB1692 HD1)

