

JAN 28 2009

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; provided that
11 in the event that a public housing project is redeveloped or
12 reconstructed to provide for additional new units, different
13 target income groups, or mixed use development, that the
14 original number of affordable units remain the same. For the
15 purposes of this section, "affordable" in the case of units for
16 sale to qualified buyers means available for households with
17 incomes at or below one hundred forty per cent of the median
18 family income as determined by the United States Department of



1 Housing and Urban Development and in the case of rental units
2 for qualified tenants means available for households with
3 incomes at or below eighty per cent of the median family income,
4 as determined by the United States Department of Housing and
5 Urban Development."

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

8 "[+]§356D-31[+] **Rentals and tenant selection.** (a) In the
9 operation or management of federal public housing projects, the
10 authority (acting directly or by an agent or agents) at all
11 times shall observe the following duties with respect to rentals
12 and tenant selection:

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

21 (2) It may rent or lease the dwelling units therein only
22 at rentals within the financial reach of persons who



1 lack the amount of income that it determines to be
2 necessary to obtain safe, sanitary, and uncongested
3 dwelling accommodations within the area of operation
4 of the authority and to provide an adequate standard
5 of living; and

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

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

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

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



1 (c) Notwithstanding any other law to the contrary, the
2 authority shall ensure that the dwelling units provided under
3 this part remain affordable in perpetuity; provided that such
4 enforcement is consistent with federal law. For the purposes of
5 this section, "affordable" means available for households with
6 incomes at or below eighty per cent of the median family income
7 as determined by the United States Department of Housing and
8 Urban Development."

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

11 "[~~§~~356D-43~~]~~ **Rentals.** (a) Notwithstanding any other
12 law to the contrary, the authority shall fix the rates of the
13 rentals for dwelling units and other facilities in state low-
14 income housing projects provided for by this subpart, at rates
15 that will produce revenues that will be sufficient to pay all
16 expenses of management, operation, and maintenance, including
17 the cost of insurance, a proportionate share of the
18 administrative expenses of the authority to be fixed by it, and
19 the costs of repairs, equipment, and improvements, to the end
20 that the state low-income housing projects shall be and always
21 remain self-supporting. The authority, in its discretion, may
22 fix the rates in amounts as will produce additional revenues (in



1 addition to the foregoing) sufficient to amortize the cost of
2 the state low-income housing project or projects, including
3 equipment, over a period or periods of time that the authority
4 may deem advisable.

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

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

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

12 (3) Any of the property of any state low-income housing
13 project or projects is security for the bonds,
14 the authority shall fix the rates of the rentals for dwelling
15 units and other facilities in the state low-income housing
16 project or projects so specified or encumbered at increased
17 rates that will produce the revenues required by subsection (a)
18 and, in addition, those amounts that may be required by part I,
19 by any resolution of issuance adopted under part I, and by any
20 bonds or mortgage or other security issued or given under
21 part I.



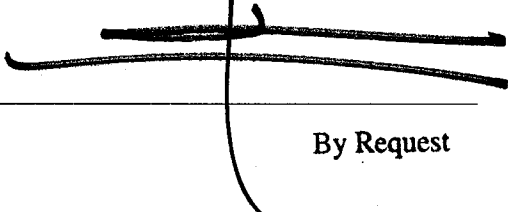
1 (c) Notwithstanding any other law to the contrary, the
2 authority shall ensure that the dwelling units provided under
3 this part remain affordable in perpetuity. For the purposes of
4 this section, "affordable" means available for households with
5 incomes at or below eighty per cent of the median family income
6 as determined by the United States Department of Housing and
7 Urban Development."

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

10 SECTION 5. This Act shall take effect on July 1, 2009.

11

INTRODUCED BY: _____


By Request

Report Title:

Public Housing.

Description:

Requires public housing provided by county or state financing to remain affordable in perpetuity.

