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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

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**PART I**

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**FINDINGS AND PURPOSE**

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SECTION 1. The legislature finds that the American

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Recovery and Reinvestment Act of 2009 combines tax relief and

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government spending totaling \$787,000,000,000 to jump start the

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nation's economy. Hawaii will be eligible to receive a portion

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of this federal funding through formula grants and competitive

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applications. The legislature further finds that the federal

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funds could supplement the State's continued efforts to assist

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the homeless, rehabilitate aging public housing stock, and

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preserve and build affordable housing.

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Through the American Recovery and Reinvestment Act of 2009,

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Hawaii is projected to receive:

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(1) HOME Investment Partnerships Program. \$9,600,000 to

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enable state and county government, in partnership

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with community-based organizations, to acquire,

- 1           construct, and rehabilitate affordable housing and  
2           provide rental assistance to poor families;
- 3           (2) Public Housing Capital Fund. \$16,300,000 for public  
4           housing agencies to address a backlog in capital  
5           needs, especially those improving energy efficiency in  
6           aging buildings; and
- 7           (3) Homelessness Prevention Fund. \$6,200,000 for short-or  
8           medium-term rental assistance, first and last months  
9           rental payment, or utility payment.

10           The expanded home buyer tax credit will be available for  
11 home purchases after December 31, 2008. Hawaii's first-time  
12 home buyers will benefit from an increase in the current credit  
13 from \$7,500 to \$8,000, the expiration date has been extended  
14 from July 1, 2009, to December 1, 2009, and the repayment  
15 requirement eliminated. In addition, the prohibition against  
16 combining the tax credit with mortgage revenue bonds has been  
17 lifted.

18           Hawaii will compete for a portion of the \$2,000,000,000 in  
19 rental assistance for full-year payments to owners receiving  
20 section 8 project-based rental assistance, and an additional  
21 \$2,000,000,000 directed to the Neighborhood Stabilization  
22 Program.

1 The purpose of this Act is provide funding for various  
 2 affordable housing, public housing, and homeless programs;  
 3 provided that the funding amounts are subject to change if the  
 4 programs in this Act receive funding through the American  
 5 Recovery and Reinvestment Act of 2009.

6 PART II

7 RENTAL HOUSING TRUST FUND

8 SECTION 2. Section 247-7, Hawaii Revised Statutes, is  
 9 amended to read as follows:

10 "**§247-7 Disposition of taxes.** All taxes collected under  
 11 this chapter shall be paid into the state treasury to the credit  
 12 of the general fund of the State, to be used and expended for  
 13 the purposes for which the general fund was created and exists  
 14 by law; provided that of the taxes collected each fiscal year:

15 (1) Ten per cent shall be paid into the land conservation  
 16 fund established pursuant to section 173A-5;

17 (2) [~~Thirty~~] Fifty per cent shall be paid into the rental  
 18 housing trust fund established by section 201H-202;  
 19 and

20 (3) Twenty-five per cent shall be paid into the natural  
 21 area reserve fund established by section 195-9;

22 provided that the funds paid into the natural area

1           reserve fund shall be annually disbursed by the  
2           department of land and natural resources in the  
3           following priority:

4           (A) To natural area partnership and forest  
5           stewardship programs after joint consultation  
6           with the forest stewardship committee and the  
7           natural area reserves system commission;

8           (B) Projects undertaken in accordance with watershed  
9           management plans pursuant to section 171-58 or  
10          watershed management plans negotiated with  
11          private landowners, and management of the natural  
12          area reserves system pursuant to section 195-3;  
13          and

14          (C) The youth conservation corps established under  
15          chapter 193."

16          SECTION 3. The director of finance is authorized to issue  
17          general obligation bonds in the sum of \$25,000,000 or so much  
18          thereof as may be necessary and the same sum or so much thereof  
19          as may be necessary is appropriated for fiscal year 2009-2010 to  
20          be deposited into the rental housing trust fund created in  
21          section 201H-202, Hawaii Revised Statutes.

1 SECTION 4. There is appropriated out of the rental housing  
2 trust fund the sum of \$25,000,000 or so much thereof as may be  
3 necessary for fiscal year 2009-2010 for the planning,  
4 development, and construction of affordable housing in  
5 cooperation with private and nonprofit developers.

6 The sum appropriated shall be expended by the Hawaii  
7 housing finance and development corporation for the purposes of  
8 this Act.

9 **PART III**

10 **DWELLING UNIT REVOLVING FUND**

11 SECTION 5. The director of finance is authorized to issue  
12 general obligation bonds in the sum of \$50,000,000 or so much  
13 thereof as may be necessary and the same sum or so much thereof  
14 as may be necessary is appropriated for fiscal year 2009-2010 to  
15 be deposited into the dwelling unit revolving fund created in  
16 section 201H-191, Hawaii Revised Statutes.

17 SECTION 6. There is appropriated out of the dwelling unit  
18 revolving fund the sum of \$50,000,000 or so much thereof as may  
19 be necessary for fiscal year 2009-2010 for housing development  
20 programs.

1           The sum appropriated shall be expended by the Hawaii  
2 housing finance and development corporation for the purposes of  
3 this Act.

4   **PART IV**

5   **PERMITTING AND PROCESSING**

6           SECTION 7. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$500,000 or so much  
8 thereof as may be necessary for fiscal year 2009-2010 to assist  
9 developers in contracting for third party review and  
10 certification, including but not limited to inspections,  
11 discretionary permits, and ministerial permits, to expedite the  
12 processing and issuance of building permits for affordable  
13 housing projects; provided that, in order to qualify for funding  
14 under this section, an affordable housing project shall offer  
15 not less than forty per cent of all units, whether rental or  
16 for-sale, in leasehold or fee simple, at prices or rents that  
17 are affordable to persons earning eighty per cent or less of the  
18 area median income as determined by the United States Department  
19 of Housing and Urban Development.

20           The sum appropriated shall be expended by the Hawaii  
21 housing finance and development corporation for the purposes of  
22 this Act.

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**PART V**

**MAINTENANCE, REPAIRS, AND RENOVATIONS**

SECTION 8. The legislature finds that public housing projects are continuing to deteriorate due to a lack of timely maintenance and repair. As a consequence, housing units are in danger of becoming or have already become uninhabitable.

Currently, the public housing authority receives \$1,500,000 annually for repair and maintenance; however, these funds are insufficient to keep public housing units in decent, sanitary, and livable conditions.

The purpose of this part is to appropriate an additional \$2,000,000 for repair and maintenance to satisfactorily maintain these vital housing resources.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2009-2010 for repair and maintenance of public housing projects.

The sum appropriated shall be expended by the Hawaii public housing authority for the purposes of this Act.

SECTION 10. The director of finance is authorized to issue general obligation bonds in the sum of \$40,200,000 or so much thereof as may be necessary and the same sum or so much thereof

1 as may be necessary is appropriated for fiscal year 2009-2010  
2 for capital improvement projects to repair and renovate public  
3 housing.

4 The sum appropriated shall be expended by the Hawaii public  
5 housing authority for the purposes of this Act.

6 **PART VI**

7 **SECURITY; PUBLIC HOUSING PROJECTS**

8 SECTION 11. The legislature finds that improved safety  
9 measures are needed at public housing projects. While the 2007  
10 Hawaii state legislature appropriated general funds for public  
11 housing security needs, additional funding is required to  
12 sufficiently address the arduous security problems plaguing  
13 housing projects.

14 The purpose of this part is to continue the work begun in  
15 the 2007 regular session by appropriating funds for security in  
16 order to protect physical public housing property as well as  
17 create a safer environment for public housing tenants and the  
18 surrounding community.

19 SECTION 12. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$1,500,000 or so much  
21 thereof as may be necessary for fiscal year 2009-2010 for  
22 providing security in public housing projects.



1         The sum appropriated shall be expended by the Hawaii public  
2 housing authority for the purposes of this Act.

3   **PART VII**

4   **HOMELESS; SERVICES AND SHELTER**

5         SECTION 13. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$5,300,000 or so much  
7 thereof as may be necessary for fiscal year 2009-2010 for  
8 outreach or support services, or both, to unsheltered homeless,  
9 at-risk homeless, and those residing in homeless facilities,  
10 including emergency shelters, pursuant to the purchase of  
11 service agreements under chapter 42F, Hawaii Revised Statutes.  
12 This appropriation shall be used for the provision of continual  
13 operational funds to provide matching funds for shelter plus  
14 care grants and supportive housing programs and operational  
15 funds for nonprofit agencies to develop affordable housing.

16         The sum appropriated shall be expended by the Hawaii public  
17 housing authority for purposes of this Act.

18         SECTION 14. The director of finance is authorized to issue  
19 general obligation bonds in the sum of \$32,000,000 or so much  
20 thereof as may be necessary and the same sum or so much as may  
21 be necessary is appropriated for fiscal year 2009-2010 for  
22 homeless facilities, emergency shelters, and transitional

1 shelters, as defined by section 356D-121, Hawaii Revised  
2 Statutes, on the islands of Oahu and Hawaii.

3 The sum appropriated shall be expended by the Hawaii public  
4 housing authority for the purposes of this Act.

5 **PART VIII**

6 **GENERAL**

7 SECTION 15. The appropriations made in sections 3, 4, 5,  
8 6, 9, 10, 12, 13, and 14 of this Act shall not lapse at the end  
9 of the fiscal year for which the appropriation is made; provided  
10 that all appropriations that are unencumbered as of June 30,  
11 2012, shall lapse as of that date into the appropriate fund.

12 SECTION 16. If any provision of this Act, or the  
13 application thereof to any person or circumstance is held  
14 invalid, the invalidity does not affect other provisions or  
15 applications of the Act, which can be given effect without the  
16 invalid provision or application, and to this end the provisions  
17 of this Act are severable.

18 SECTION 17. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 18. This Act shall take effect on July 1, 2050.

**Report Title:**

Affordable Housing; Omnibus Bill; American Recovery and Reinvestment Act of 2009

**Description:**

Appropriates funds for various homeless and housing programs and projects. (SD1)