
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 demand for
2 public housing remains at an overwhelming level. Home prices
3 have increased in the last decade to levels such that
4 individuals and families looking to buy or rent a home are faced
5 with steep housing costs. In the current economic climate, the
6 State is also faced with major revenue shortfalls that reduce
7 resources while the demand for public housing increases.

8 The legislature also finds that the waiting list for public
9 housing, nearly fourteen thousand, increases every year due to
10 persistently high demand and a limited inventory of public
11 housing. Some tenants reside in public housing for lengthy
12 tenancy periods; families sometimes stay for many generations
13 within the same public housing unit. Long term tenancy
14 diminishes the chance of qualified individuals on the wait list
15 from ever receiving the opportunity to live in a public housing
16 unit.

17 The purpose of this Act is to break this vicious cycle by
18 restricting public housing tenancy, except in certain cases, to



1 no more than five years. Although this policy may appear harsh,
2 this Act is intended to:

3 (1) Encourage and motivate upward economic mobility from
4 low- to moderate-income for people who are overly
5 dependent on public housing;

6 (2) Promote integrity in the public housing system to
7 prevent "homesteading" and lengthy periods of tenancy;
8 and

9 (3) Increase the supply of low-income housing to address
10 the homeless problem in the state.

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

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



1 remain self-supporting. The authority, in its discretion, may
2 fix the rates in amounts as will produce additional revenues (in
3 addition to the foregoing) sufficient to amortize the cost of
4 the state low-income housing project or projects, including
5 equipment, over a period or periods of time that the authority
6 may deem advisable.

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

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

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

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



1 bonds, [~~or~~] mortgage, or other security issued or given under
2 part I.

3 (c) No tenant, except for persons sixty-two years of age
4 and older, persons with a mental or physical disability, or
5 retired for medical reasons, shall rent, lease, or occupy any
6 dwelling administered under this chapter for more than five
7 years."

8 SECTION 3. To effectuate the purpose of this Act, the
9 Hawaii public housing authority shall establish a plan,
10 including benchmarks, by which it shall assist tenants to
11 transition out of public housing. The Hawaii public housing
12 authority shall submit a report to the legislature detailing the
13 transition plan no later than twenty days prior to the opening
14 of the regular session of 2011.

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2010;
18 provided that no existing tenancy shall have years prior to the
19 effective date of this Act counted against the five year limit.



Report Title:

Low-income Housing; Rental Leases

Description:

Restricts state low-income housing leases to no more than 5 years, unless otherwise excepted. Requires the Hawaii Public Housing Authority to develop a transition plan, including benchmarks, to assist tenants to transition out of public housing. (HB2319 HD1)

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