
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The purpose of this Act is to establish a
2 program for the leveraging of union financing for affordable
3 housing projects.

4 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
5 amended by adding a new subpart to part III to be appropriately
6 designated and to read as follows:

7 " . **Leveraging of Union Financing for Housing Project**

8 §201H- **Leveraging of union financing for housing**
9 **projects.** (a) The corporation may provide partial, interim, or
10 permanent financing for a housing project under the following
11 circumstances:

12 (1) At least one labor union invests its own or members'
13 funds in the project;

14 (2) The labor union's investment comprises at least
15 per cent of the total development cost of the
16 housing project as estimated by the corporation;

17 (3) All of the dwelling units of the housing project are
18 affordable to families with not more than one hundred



1 forty per cent of the median income of the county in
2 which the project is situated;

3 (4) The developer of the project agrees to proceed with
4 the corporation through the process of section 201H-38
5 to obtain all discretionary entitlements from the land
6 use commission and relevant county;

7 (5) The total floor area of all dwelling units is not less
8 than per cent of the total floor area of all
9 other structures in the housing project; and

10 (6) The total building area of all structures containing
11 only residential use or more residential use than
12 other uses is at least per cent of the total
13 land area within the boundaries of the housing
14 project. For this paragraph, the amount of a "use"
15 shall be measured as the floor area of that use.

16 The corporation shall match the amount of the investment of
17 the labor union in the housing project; provided that if a
18 private financial institution doing business in this State also
19 makes an investment that covers the difference between the total
20 development cost of the housing project and the sum of the
21 corporation's and labor union's investment, the corporation
22 shall guarantee the private financial institution's investment.



1 When the corporation is required to guarantee the
2 investment, the department of budget and finance shall maintain
3 a balance of state funds equaling the investment on deposit with
4 the private financial institution. The department shall be
5 required to maintain that balance until the private financial
6 institution receives income from the project in an amount
7 equivalent to its investment in the project; except that, if the
8 investment was in the form of a loan, the required balance shall
9 be maintained until the loan is fully amortized.

10 (b) The corporation, labor union, and any private
11 financial institution that invested in the housing project shall
12 agree to the sharing of the net revenues from the sale or rental
13 of dwelling units and other facilities of the housing project;
14 provided that the corporation shall take a subordinate position.

15 (c) Preference for the purchase or rental of dwelling
16 units in the housing project shall be given to members of the
17 labor union. If more than one labor union invested in the
18 project, the preference shall be apportioned among them
19 according to the proportion of their investment in the project.

20 (d) The corporation may lease for \$1 per year any state
21 land under its management and control to the developer of a
22 housing project under this section."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

Calvin K. Y. Amy

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Report Title:

Affordable Housing Project; Leveraging of Financing

Description:

Establishes provisions for the leveraging of union financing for affordable housing projects.

