
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Section 39A-281, Hawaii Revised Statutes, is
2 amended by amending the definition of "low- and moderate-income
3 housing project" to read as follows:

4 ""Low- and moderate-income housing project" means any
5 housing project where:

6 (1) All project units are offered for rent, of which at
7 least:

8 (A) Twenty per cent of the units are rented to
9 households with an income of up to fifty per cent
10 of the area median income as determined by the
11 United States Department of Housing and Urban
12 Development;

13 (B) Forty per cent of the housing units in the
14 project are rented to households with an income
15 of up to eighty per cent of the area median
16 income as determined by the United States
17 Department of Housing and Urban Development; or



1 (C) Sixty per cent of the housing units in the
2 project are rented to households with an income
3 of up to one hundred [~~forty~~] per cent of the area
4 median income as determined by the United States
5 Department of Housing and Urban Development;

6 (2) All project units are offered for sale through the
7 conveyance of individual units by deed or share, of
8 which at least fifty per cent of the units are sold to
9 households with an income of up to one hundred [~~forty~~]
10 per cent of the area median income as determined by
11 the United States Department of Housing and Urban
12 Development; or

13 (3) The project qualifies for federal tax exempt status
14 pursuant to 26 [~~U.S.C. §142(a)(7)] United States Code
15 section 142(a)(7) and (d);~~

16 provided that if there is an insufficient number of persons or
17 families who meet the income qualifying criteria, the developer
18 of the housing project may make units available to households
19 with higher incomes to ensure full occupancy of the housing
20 project."

21 SECTION 2. Section 46-14.5, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§46-14.5 Land use density and infrastructure; low-income
2 rental units. Notwithstanding any other law to the contrary,
3 the counties are authorized to provide flexibility in land use
4 density provisions and public facility requirements to encourage
5 the development of any rental housing project where at least a
6 portion of the rental units are set aside for persons and
7 families with incomes at or below one hundred [~~forty~~] per cent
8 of the area median family income, of which twenty per cent are
9 set aside for persons and families with incomes at or below
10 eighty per cent of the area median family income."

11 SECTION 3. Section 46-15.25, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) For the purposes of this section:

14 "Affordable housing" means housing that is affordable to
15 households with incomes at or below one hundred [~~forty~~] per cent
16 of the median family income as determined by the United States
17 Department of Housing and Urban Development.

18 "Infrastructure" includes water, drainage, sewer, waste
19 disposal and waste treatment systems, road, and street lighting
20 that connect to the infrastructure of the county."

21 SECTION 4. Section 201H-57, Hawaii Revised Statutes, is
22 amended by amending subsection (b) to read as follows:



1 "(b) For the purposes of this section:

2 "Affordable housing" means housing that is affordable to
3 households with incomes at or below one hundred [~~forty~~] per cent
4 of the median family income as determined by the United States
5 Department of Housing and Urban Development.

6 "Qualified nonprofit organization" means any private entity
7 that is organized and operated:

8 (1) In accordance with section 501(c)(3) of the Internal
9 Revenue Code of 1986, as amended; and

10 (2) For the purpose of providing affordable housing
11 through long-term, renewable, and transferable
12 leases."

13 SECTION 5. Section 201H-202, Hawaii Revised Statutes, is
14 amended by amending subsection (e) to read as follows:

15 "(e) Moneys available in the fund shall be used for the
16 purpose of providing, in whole or in part, loans or grants for
17 rental housing projects in the following order of priority:

18 (1) Projects or units in projects that are allocated
19 low-income housing credits pursuant to the state
20 housing credit ceiling under section 42(h) of the
21 Internal Revenue Code of 1986, as amended, or projects
22 or units in projects that are funded by programs of



1 the United States Department of Housing and Urban
2 Development and United States Department of
3 Agriculture Rural Development wherein:

4 (A) At least fifty per cent of the available units
5 are for persons and families with incomes at or
6 below eighty per cent of the median family income
7 of which at least five per cent of the available
8 units are for persons and families with incomes
9 at or below thirty per cent of the median family
10 income; and

11 (B) The remaining units are for persons and families
12 with incomes at or below one hundred per cent of
13 the median family income;

14 provided that the corporation may establish rules to
15 ensure full occupancy of fund projects; and

16 (2) Mixed-income rental projects or units in a
17 mixed-income rental project wherein all of the
18 available units are for persons and families with
19 incomes at or below one hundred [~~forty~~] per cent of
20 the median family income."

21 SECTION 6. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



H.B. NO. 1971

1 SECTION 7. This Act shall take effect upon its approval.

2

INTRODUCED BY: Cindy Evans
JAN 17 2012



H.B. NO. 1971

Report Title:

Affordable Housing; Median Family Income

Description:

Lowers the income threshold relating to affordable housing from 140% to 100% of the median family income.

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