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# 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~~] twenty per cent of  
4 the area median income as determined by the  
5 United States Department of Housing and Urban  
6 Development;

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

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

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



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

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

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

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

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

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



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

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

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

8 "Qualified nonprofit organization" means any private entity  
9 that is organized and operated:

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

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

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

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

20 (1) Projects or units in projects that are allocated  
21 low-income housing credits pursuant to the state  
22 housing credit ceiling under section 42(h) of the



1 Internal Revenue Code of 1986, as amended, or projects  
2 or units in projects that are funded by programs of  
3 the United States Department of Housing and Urban  
4 Development and United States Department of  
5 Agriculture Rural Development wherein:

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

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

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

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



1 SECTION 6. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

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



**Report Title:**

Affordable Housing; Median Family Income

**Description:**

Lowers the income threshold relating to affordable housing from 140 per cent to 120 per cent of the median family income.

(HB1971 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

