
A BILL FOR AN ACT

RELATING TO THE RENTAL ASSISTANCE REVOLVING FUND.

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

1 SECTION 1. Section 201H-121, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§201H-121[+] Purpose; findings and determinations.

4 The legislature finds and declares that the health and general
5 welfare of the people of this State require that the people of
6 this State have safe and sanitary rental housing accommodations
7 available at affordable rents; that a grave shortage in the
8 number of such accommodations affordable by families and
9 individuals of low- and moderate-income in the State exists; and
10 that it is essential that owners of rental housing
11 accommodations be provided with appropriate additional means to
12 assist in reducing the cost of rental housing accommodations to
13 the people of this State.

14 ~~[The legislature further finds that the high cost of~~
15 ~~infrastructure development and the obtaining of interim~~
16 ~~construction financing are two of the greatest impediments to~~
17 ~~the production of affordable rental housing in this State. It~~
18 ~~is especially difficult for private nonprofit and for profit~~



1 ~~entities to participate in the development of affordable housing~~
2 ~~due to the difficulty in amassing the capital necessary to plan~~
3 ~~and carry out a project to completion.]~~

4 It is the purpose of this subpart to[+]

5 ~~(1)~~ Assist] assist owners in maintaining rentals at levels
6 affordable to low- and moderate-income families and
7 individuals by providing owners with rental assistance
8 payments which, together with rental payments received
9 from low- and moderate-income tenants, will provide
10 owners with limited but acceptable rates of return on
11 their investments in rental housing accommodations.

12 Assisting owners by entering into contracts with them
13 to provide for rental assistance payments is a valid
14 public purpose and in the public interest[+ and

15 ~~(2)~~ Provide a funding source for interim construction
16 financing for the development of affordable rental
17 housing by private nonprofit and for profit entities,
18 as well as the corporation; provided that in allotting
19 this financing, the corporation shall give preference
20 to qualified sponsors who are private nonprofit and
21 for profit entities]."



1 SECTION 2. Section 201H-123, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The corporation may use, as needed, the aggregate
4 principal sum and the accumulated earnings in the rental
5 assistance revolving fund to make payments under rental
6 assistance contracts or to subsidize tenants' rents in eligible
7 projects developed under this part[~~; provided that the~~
8 ~~corporation shall use up to \$25,000,000 plus any bond proceeds~~
9 ~~to provide interim construction financing to:~~

10 (1) ~~Qualified sponsors who are private nonprofit or for-~~
11 ~~profit entities; or~~

12 (2) ~~The corporation, for the development of affordable~~
13 ~~rental housing;~~

14 ~~provided further that the corporation, in allotting interim~~
15 ~~construction financing moneys pursuant to this subpart, shall~~
16 ~~give preference to rental housing projects developed by~~
17 ~~qualified sponsors who are private nonprofit or for profit~~
18 ~~entities]."~~

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken.

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



Report Title:

Rental Assistance Revolving Fund; Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation

Description:

Removes provisions in sections 201H-121 and 201H-123, Hawaii Revised Statutes, authorizing use of the rental assistance revolving fund for interim construction financing to develop affordable rental housing. (SD1)

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